FINANCIAL TIMES

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FRIDAY APRIL 24 1998

FT Weekend tomorrow
Tony Blair is going further than many people imagine
This is just the start

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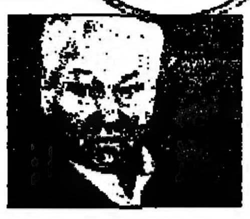

Russia
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WORLD NEWS

Belgian crisis as ministers quit over escape of alleged child murderer

Belgium faced a government crisis as its justice and interior ministers resigned following the dramatic escape and recapture of convicted child rapist Marc Dutroux, who is at the centre of investigations into paedophilia and child murders. His case has already raised allegations of incompetence and cover-ups by police and other officials.

Docker rehiring order upheld
A federal court dealt a blow to Australia's conservative coalition government by dismissing an appeal by port operator Patrick Stevedores against an order to reinstate 1,400 dismissed dock-workers. Page 16; Blow to Howard, Page 4

Vote expected to back Milosevic
Serbs turned out in number for a referendum expected to reject western involvement in Kosovo, defying further sanctions. Yugoslav president Slobodan Milosevic has resisted western attempts to resolve the crisis in the mainly Albanian province. Page 2

Martin Luther King's killer is dead
James Earl Ray, who confessed to shooting civil rights leader Martin Luther King Jr, then recanted and spent decades seeking a new trial, died at the age of 70.

Fifa vow on ticket review
With the European Commission seen likely to fine the French organisers of this year's World Cup, Sepp Blatter, general secretary of Fifa, the soccer federation, promised to review ticket allocation for the future. Page 2

Israel claims EU blacklisting
Israel criticised the European Commission, claiming Brussels was drawing up a blacklist of goods originating in occupied territories and exported by Israel. Page 7

Zimbabwe looks into bank
Zimbabwe's finance ministry said it was investigating the activities of the private United Merchant Bank, owned by entrepreneur Roger Boka, which is suspected of being in trouble. Page 16

Commission strike looms
European Commission staff are set to stage a 24-hour strike on Thursday over plans to end job security, following failure of a "conciliation" meeting. It would come two days before a summit to decide the founder members of economic and monetary union. Page 3

Private schools look to China
British private schools plan a recruitment campaign in China following collapse of traditional markets since the Asian currency crises. Hong Kong recruitment fell by a fifth last year. Page 10

Debt relief deal for Nicaragua
Nicaragua and Paris Club creditor countries have agreed to restructure more than $1bn in debt to provide Nicaragua with about $200m in interest relief. Page 3

Subsidies on US-EU trade agenda
Any talks on a new bilateral trade agreement between the US and the European Union must "take into account" the areas of agricultural subsidies and audio-visual services, said David Aaron, international trade undersecretary. Page 7

Two walk out over Ulster parades
Two anti-republican members resigned from the Northern Ireland Parades Commission after UK prime minister Tony Blair intervened to stop publication of its proposals for summer. Page 10

BUSINESS NEWS

Siemens quits PC manufacturing with sale of Augsburg facility to Acer

Siemens, German electronics group, is quitting personal computer manufacturing and selling its PC manufacturing operations in Augsburg, Germany, to Acer of Taiwan, which will build PCs for SNI under contract at Augsburg. Page 17; Lex, Page 16; Price crucial to success of marriage, Page 20

Lazard, the international investment bank, is forming a joint venture with Vitale Borghesi, a leading Milan corporate finance advisory partnership, to strengthen its presence in Italy. Page 18

Mellon Bank has hit back at Bank of NewYork's unsolicited $26.9bn takeover proposal – launched on Wednesday – issuing a lawsuit seeking to halt the bid. Page 17

Banco Bilbao Vizcaya of Spain lifted first-quarter net income 28 per cent to Pta30.7bn ($202m), in spite of the cost of its expanding banking franchise in Latin America. Page 18

Hong Kong's government review of financial markets in the wake of the Asian crisis concluded interest rates must remain its main tool to defend the currency. Page 4

Stora, Swedish forestry group, predicted a continued rebound in pulp prices for the second quarter, as it announced first-quarter profits 56 per cent up. Page 18

Shares in large Japanese companies jumped after they said they might buy back a substantial proportion of their stocks. Page 17; World Stocks, Page 36

America Online has been dismissed as a defendant in a $30m defamation lawsuit, when a federal judge ruled internet service providers are exempt from US laws holding newspapers and broadcasters accountable for information they disseminate. Page 6

Bank Negara Indonesia, the country's largest, reported a 5.9 per cent drop in year-end profits and quadrupled its bad loan provisions, but analysts said it was understating its problems. Page 20

Computer Associates, US software and services group, sought to reassure Wall St after its abortive attempt to take over Computer Sciences Corporation by forecasting an 18 per cent rise in annual revenues to $4.7bn. Page 18

Daewoo's head Kim Woo-joong said South Korea's government had failed to take adequate steps to deregulate the economy. Page 4

Mazda, Japanese automotive group in which Ford holds a 33.4 per cent stake, surprised the market by announcing full-year results would beat expectations. Page 20

Palladium's price has virtually doubled since the start of the year, hitting a record $390 a troy ounce. In January 1996 it stood at $120. Page 26

Rashid Hussain, one of Malaysia's top financial groups, is to pay M$368m (US$97m) for Sime Bank. It will merge with RHB Bank to form the second-largest commercial bank in Malaysia. Page 20

World Equity Markets
The latest trends and data from more than 50 national markets at a glance
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Kohl gains overwhelming support for euro go-ahead

Historic vote by German Bundestag signs death warrant for the D-Mark

By Peter Norman in Bonn

The lower house of Germany's parliament signed the death warrant of the D-Mark yesterday when, in a historic vote, it authorised Helmut Kohl, the chancellor, to approve its replacement by a new currency uniting 11 European nations.

All parties in the Bundestag, except the ex-communist Party of Democratic Socialism, gave overwhelming support to launching the euro on schedule next January – by 575 votes to 35. But the opposition Social Democratic Party warned the euro would be at risk without closer European co-ordination of economic, fiscal and social policies.

The euro has now passed its most important parliamentary hurdle. It will be debated today in the Bundesrat, the second chamber, where all but one of the 16 federal states have pledged their support.

Opinion polls this week indicate about 60 per cent of the German people oppose the euro.

In a debate that ranged from high statesmanship to crude electioneering, a confident Gerhard Schröder spoke in the Bundestag for the first time as the SPD's candidate for chancellor and staked his claim to make the euro a success after Germany's September 27 general election.

Hans-Dietrich Genscher, 71, the former foreign minister, who is retiring from parliament this summer, called economic and monetary union "the key to Germany's future" and "a milestone on the road to European union".

Wolfgang Schäuble, Mr Kohl's designated successor, raised cheers from MPs of his Christian Democratic Union in savaging Mr Schröder's economic policy record as premier of the state of Lower Saxony and ridiculing the razzmatazz of his confirmation as SPD candidate in Leipzig.

Mr Kohl, languishing in the opinion polls and criticised for failing to give his quarrelsome coalition strong leadership, earned only respectful applause as he said the vote was the Bundestag's "most important decision since German unification" and "one of the most important decisions of the century".

Mr Kohl, largely repeating his testimony on Tuesday to the Bundestag's finance and European committee, praised Theo Waigel, the finance minister and leader of the Bavarian Christian Social Union, who was this week involved in a bitter clash with Mr Schäuble in a meeting of CDU/CSU MPs.

A buoyant Mr Schröder put aside his previous hostility to the euro and declared there were good grounds to replace the D-Mark on January 1 next year. But he insisted the government should be candid about the euro's risks, and that it would be a success only if linked to policies to create employment. He warned that, in the short term, the euro was likely to increase problems on the German job market.

Although Mr Waigel and Mr Kohl ruled out any increase in financial transfers to less prosperous EU members, Mr Schröder said pressure for such payments could be overwhelming. He said a successful euro required greater co-ordination of economic policy, more harmonisation of company taxation and minimum social standards. "Emu can contribute to the battle against unemployment, but only if we seek stable economic and social conditions in Germany and Europe," he said.

Headache for Kohl, Page 3

Gerhard Schröder, foreground, and Helmut Kohl at the debate. Reuters

Corporate hospitality: you can't with Nissan

By Michiyo Nakamoto in Tokyo

Nissan, Japan's second largest car manufacturer, is to break drastically with tradition and ban almost all corporate entertainment.

The decision has startled and dismayed the business community, which regards drinking with clients at a swanky hostess bar or playing golf together as an integral part of Japanese corporate culture.

Declining an invitation to drink with business associates is considered rude. "If someone says to me, 'Can't you accept my sake?', I will now have to say I can't," moaned a Nissan official.

Nissan has good reason to tighten its belt. It has revealed that group net profits are likely to fall by 80 per cent in the year to March 1998 to Y16bn ($123m).

The company has drawn up a list of guidelines for staff, outlining restrictions on corporate entertainment and gift-giving, until now obligatory features of corporate etiquette.

The guidelines also ban Nissan staff from receiving gifts and entertainment. The rules are unprecedented in their severity.

Yoshikazu Hanawa, Nissan's president, has written to 300 top business partners of the company, asking them to refrain from sending gifts or entertaining Nissan staff. He said the move was designed to ensure that business decisions were based on objective criteria rather than personal relationships.

Japanese business executives have suggested that Nissan's move may be a reaction to several scandals that involved corporate wining and dining of senior bureaucrats. The scandals have embarrassed the government and forced the resignation of a finance minister.

After public outrage over the scandals, the Bank of Japan announced this month that it would penalise 99 employees for receiving lavish corporate entertainment. The finance ministry is expected to announce measures next week against about 100 bureaucrats who had been entertained by companies in industries they oversee.

Other businesses are expected to follow Nissan's lead. Hitachi, the electronics group, and NKK, the steel company, plan to draw up stricter guidelines.

Indonesian companies on road to recovery

By Sander Thoenes in Jakarta

Indonesian conglomerates appear to be getting to grips with their debts by selling foreign assets and negotiating loan repayments, although debt rescheduling and payments are still a long way off, bankers said yesterday.

Barito Pacific, the timber and pulp producer, yesterday said its lenders had agreed to roll over part of its $363.5m in due bridging loans. But bankers involved said they only agreed to monthly extensions of principal earlier this year, while insisting on interest payments, because the lack of a bankruptcy procedure meant they could not make the company pay in full.

"They are forced roll-overs," one western banker involved in the talks said. "Rolling over on a monthly basis is not very sound banking, so we continue to negotiate.

"Everything takes a long time in Indonesia, but we may see something in a few months. We know they don't have $363.5m, so at least they are negotiating in good faith – we hope."

Barito borrowed the funds last year to pay off due bonds and to finance its share of a $991m pulp mill.

It planned to repay the bridging loans with proceeds from a Yankee bond – a bond issued in the US by a foreign organisation – but the collapse of the Asian markets made this unfeasible.

The loan for the mill is project finance, so the company cannot use it to pay off debt. Pulp is also a growing export earner for Indonesia and Barito said it did not plan to delay construction of the plant in spite of falling domestic demand.

This week Salim, the largest and most diverse Indonesian group, announced that it and its listed subsidiary, First Pacific, would sell United Commercial Bank of California for $120m to the bank's management and investment funds.

First Pacific last month sold its 40 per cent of Hagemeyer, the Dutch car retailer, for about $1.7bn and is trying to sell PDCP Development Bank in Manila.

First Pacific and Salim are heavily in debt, with the fall of Asian currencies increasing the local cost of servicing the loans. Salim's Indofood, which has some $1bn in off-shore debt, faces added strain from subsidising domestic sales at the government's request.

A subsidiary of Sinar Mas, the second largest conglomerate with interests in cement, palm oil, pulp and paper, has sold $265m of office towers and hotels in the US. But Suwandy Chen, deputy corporate finance officer at Asia Food & Properties, said the funds would be used for expansion in palm oil and not to pay off $3.3bn in debt.

Small retail sales rise aids sterling's decline

By Robert Chote and Simon Kuper

New evidence this week that the UK economy is cooling has strengthened indications that interest rates have peaked and that sterling will continue its downward trend.

Retail sales volumes rose by a lower than expected seasonally adjusted 0.3 per cent in March, the Office for National Statistics said yesterday. In February they fell 1.5 per cent.

The figures helped push the pound to an eight-week low yesterday. It had already been sliding on news that Charles Goodhart, of the Bank of England's monetary policy committee, had voted to leave rates unchanged at this month's meeting.

Mr Goodhart had argued in vain in each of the previous three months that they should rise. His change of view created a five-three majority in favour of leaving rates on hold.

But the pound rebounded after Gordon Brown, the chancellor, rejected the idea of massaging sterling lower.

"What we are not going to get into is the policy of continuously long-term devaluing the pound," he told MPs. Sterling bounced two pfennigs against the D-Mark.

Base rates, at 7.25 per cent the highest in the developed world, have been instrumental in the pound's 25 per cent rise against a trade-weighted basket of currencies since August 1996. Mr Brown repeated his mantra that the government sought "a competitive and stable exchange rate over the medium term".

In late US trading the pound stood at DM2.998 and $1.665, respectively 0.3 pfgs and 1 cent below Wednesday's London close.

The news of Professor Goodhart's change of mind caused a rally in short sterling futures contracts, reflecting the reduced prospect of rate rises. The June 1999 contract rose 8 basis points, pricing in base rates of more than 8.5 per cent.

Meanwhile Sir Colin Marshall, president of the Confederation of British Industry, warned that the scale of sterling's appreciation and its persistence at around DM3 had hit companies with foreign currency earnings.

"All the evidence highlights that there is real pressure on exporters' margins and that business is being lost to our competitors", he told manufacturers.

End of spending round, Page 10
Currencies, Page 25

WORLD MARKETS

STOCK MARKET INDICES		
New York: Lunchtime		
Dow Jones Ind Av	9177.21	(+0.49)
NASDAQ Composite	1894.66	(-22.65)
Europe and Far East		
CAC40	3822.13	(-12.94)
DAX	5251.46	(-109.19)
FTSE 100	5898.1	(-33.0)
Nikkei	15,761.69	(+0.15)
US Lunchtime RATES		
Federal Funds	5.43%	
3-mth Treas Bills: Yld	5.092%	
Long Bond	102⅝	
Yield	5.973%	
OTHER RATES		
UK: 3-mo Interbank	7⅝%	(same)
UK: 10 yr Gilt	110.1875	(110.156)
France: 10 yr OAT	104.08	(104.03)
Germany: 10 yr Bond	107.75	(107.67)
Japan: 10 yr JGB	109.87	(109.84)
NORTH SEA OIL (Argus)		
Brent Dated	$13.40	(13.725)

GOLD		
New York Comex	$314.5	(313.8)
London	$312.55	(313.05)
EXCHANGE RATES		
Dollar		
New York: Lunchtime		
£	1.664	
DM	1.8000	
FFr	6.0410	
SFr	1.4903	
Y	130.285	
London:		
£	1.6848	(1.6749)
DM	1.7987	(1.7917)
FFr	6.0530	(6.0088)
SFr	1.4898	(1.4841)
Y	130.02	(130.595)
Tokyo Close		Y 130.15
Sterling		
DM	2.9944	(3.0006)

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WORLD NEWS

EUROPE

One more round with the red menace

By Chrystia Freeland in Moscow

Throughout his tumultuous political career, Boris Yeltsin has always been at his best in a fight with the Communists.

The red menace inspired the Siberian brawler to rally the Russian people from the top of a tank in 1991. In 1996, the Communist presidential bid jerked Mr Yeltsin out of geriatric lethargy into boogieing on a southern Russian stage in pursuit of the youth vote.

Today, the Russian president has orchestrated what could be his last stand-off against the Communists. The battlefield is parliament's third and final vote over the fate of Sergei Kiriyenko, the prime minister-designate. The stakes are the president's pride and the Communists' parliamentary seats.

As usual, Mr Yeltsin has stacked the odds in his own favour. According to the terms of Russia's presidentially dominated constitution, the Duma or lower house of parliament, which has twice rejected Mr Kiriyenko's candidacy, has the option to do so again today.

But it must purchase its defiance at a high price: a third vote against the president's man could deprive legislators of their seats and force new parliamentary elections. After that, Mr Kiriyenko would probably become prime minister anyway, because the legislature's dissolution would temporarily give Mr Yeltsin extensive powers to rule by decree.

Analysts are predicting that, with all these aces, Mr Yeltsin is likely to get his way. Indeed, so strong is the president's sway over the Duma that Moskovsky Komsolets, a popular tabloid, last week compared him to Caligula. Just as the Roman emperor threatened to make his horse a consul, the newspaper argued, Mr Yeltsin would have no trouble installing the politically anonymous 35-year-old Mr Kiriyenko in a post a heartbeat away from the presidency. But it will be a closer squeeze than Kremlin advisers expected a month ago, when Mr Yeltsin sacked his government and elevated Mr Kiriyenko to the top of the Russian political cupola.

Moribund since their defeat in the 1996 presidential ballot, the Communists have been shaken into life by Mr Yeltsin's latest challenge. In the past, the president's power to dissolve the parliament has reduced the party to obedience; yesterday, some Communists hardliners insisted they actually welcomed new elections.

"We know that today's decision [to oppose Kiriyenko] will be viewed by much of the fairly pessimistic electorate as proof of the party's strength as a fighter, able to battle to the end, and of the muscle of Communist deputies, who are not clinging to their seats as much of the media has claimed," said Alexander Kravets, a Siberian Communist party official.

But the Communist leadership's apparent willingness to enter parliamentary elections could still be foiled by the personal interests of backbenchers, who fear losing their seats and the associated perks.

This self-interest means that procedure is likely to play a crucial role in today's ballot. If the Duma opts for secret voting, deputies are more likely to defy their party whip and hold on to their seats by backing Mr Kiriyenko. But if the parliament choses open voting, as it did last week, party discipline will be easier to enforce, and Mr Kiriyenko could be in jeopardy.

"The Communist leaders have decided to go for new elections," argues Andrei Piontkovsky, director of the Centre for Strategic Studies in Moscow. "But the rank and file don't want them. It will be the interests of the party versus the interests of individual deputies."

This clash between the Communist rank and file and the party leadership means more will be at stake today than Mr Kiriyenko's candidacy. The vote could also be a turning point for the Communist party, whose strident defiance could diminish into a death rattle.

"If Zyuganov [the party leader] is not able to carry the party, that will show that the Communists are not a coherent opposition force," says Roland Nash, an analyst at MFK Renaissance, a Moscow investment bank. "If you see a split in the Communist party voting tomorrow, that could lead to a split in it overall."

A split in the Communist ranks and the consequent confirmation of Mr Kiriyenko would give Mr Yeltsin a double victory. Not only would he, yet again, have demonstrated his supremacy over parliament, but he would also have finally managed to shatter his perennial political foe.

Even if the dice roll against Mr Yeltsin, he is unlikely to be too distraught. Russia's economy, and its financial markets, would probably take a beating if new elections are called. But, for the warrior-king in the Kremlin, a new political fight against the Communists may be the most enjoyable outcome of all.

See Editorial Comment

Party stands firm against premier

The Communist party leadership yesterday voted to oppose Sergei Kiriyenko, the prime minister-designate, in today's crucial third and final parliamentary vote on his appointment, writes Chrystia Freeland.

The party's central committee, which includes more radical regional leaders, decided to push for an open vote in the political showdown, which comes after two previous votes against Mr Kiriyenko, the nominee of President Boris Yeltsin.

The decisions suggest that the Communists, at least rhetorically, are holding firm to their vow to oppose the Kremlin's candidate.

An open vote would decrease Mr Kiriyenko's chances of being confirmed because it would make it easier for the Communist party to control its back-benchers, who may be personally more inclined to cling to their lucrative jobs and avoid new elections.

President Yeltsin, who yesterday met the speakers of the upper and lower chambers of parliament, turned down their invitation to address the Duma in person. However, he said he would send each member of parliament a personal letter, asking him or her for support.

Yeltsin meets the Duma speaker, Gennady Seleznyov (right) and the chairman of the upper house, Yegor Stroyev (centre) Reuters

French deny officer tipped off Karadzic

By Robert Graham in Paris and Guy Dinmore in Belgrade

The French defence ministry yesterday confirmed that a liaison officer serving in Bosnia had been withdrawn because of compromising contacts with Serbs, but denied he had undermined plans by US-led forces to capture the wanted Bosnian Serb leader Radovan Karadzic.

The withdrawal of Major Hervé Gourmelon is understood to have occurred last December but only came to light yesterday after a report in the Washington Post.

It alleged he had held secret meetings with Mr Karadzic during which he could have leaked Nato secrets – including plans for the Serb leader's capture. An international arrest warrant has been issued for Mr Karadzic on an indictment for war crimes by the international tribunal in The Hague.

The French defence ministry, which did not name the officer, stated that his job had enabled him to have various contacts which "could appear questionable". Once this was known he was "immediately" recalled. It rejected any suggestion the arrest of Mr Karadzic had been compromised by pro-Serb sympathies of the 9,000-strong French contingent in Bosnia.

Eric Shinseki, the US general commanding Nato-led forces in Bosnia, also dismissed suggestions of a rift in the western alliance. "To say there is no trust between the US and French military forces is ridiculous. The Sfor [Stabilisation Force] alliance is as strong as ever," he said.

A diplomat in Sarajevo said Major Gourmelon was withdrawn from Bosnia just before the end of his term after allegations surfaced of his relationship with a Serb woman. The diplomat suggested that US sources had circulated unfounded rumours to force the French authorities to remove the officer.

French officials were mystified by the timing of the apparent US-inspired leak. But it came at a highly sensitive moment for French public opinion, when a parliamentary inquiry is investigating whether previous French governments from 1990-94 conducted a military aid policy towards the Hutu-led regime in Rwanda that contributed to the genocide of Tutsis there.

Nor is the controversy over Major Gourmelon the first case involving the alleged leaking of secrets to the Bosnian Serbs brought to light by unnamed US sources.

Milos Stankovic, a British army major with Serbian parents, was arrested last year and questioned by British police.

Unnamed US officials have alleged that he handed Nato plans to Gen Ratko Mladic, then military commander of the Bosnian Serb army. Major Stankovic has since been released from detention on bail.

Karadzic: secret meetings with French officer claimed AP

Milosevic expected to win Kosovo vote

By Guy Dinmore in Belgrade

Serbs yesterday voted in large numbers in a referendum expected to reject western involvement in Kosovo, defying the threat of further international sanctions against Belgrade.

The result was expected to produce an overwhelming endorsement of the hard line taken by the Yugoslav president, Slobodan Milosevic, against western attempts to resolve the crisis in the troubled province.

The Serbian state media, which had unleashed a barrage of nationalistic propaganda, reported a high turnout in the referendum. "Yankees go home," said Elza Ninkovic, a professor of French, expressing a widely-held distrust of the US for its isolation of Serbia during the break-up of former Yugoslavia.

Officials from the member nations of the Contact Group – the US, Russia, Britain, France, Germany and Italy – are to meet in Rome on April 29 to discuss their next step. Diplomats say there is so far no consensus on whether to impose further economic sanctions if Belgrade refuses to accept foreign mediation and withdraw its special police units from Kosovo.

Western governments fear the referendum will only prolong the deadlock and encourage Belgrade to step up its offensive against separatist rebels of the Kosovo Liberation Army. More than 100 people have died in the conflict this year.

There were more reports yesterday of clashes between troops of the federal Yugoslav army and ethnic Albanian rebels. Government officials said a force of up to 200 gunmen crossing into Kosovo from Albania had clashed with Yugoslav army units throughout Wednesday night near the south-west village of Kosare. They reported casualties but gave no details. Yugoslav soldiers in the Decani area inside Kosovo told reporters they had exchanged fire with ethnic Albanian "terrorists" for two days.

EU fine likely in World Cup row

By Nim Caswell and David Owen in Paris

Sepp Blatter, general secretary of the international soccer federation, Fifa, yesterday promised to review the ticket allocation system for future World Cups, as it emerged that the European Commission was likely to fine the French organisers of this year's tournament.

At a conference in Paris, Mr Blatter, a candidate for the presidency of world football's governing body, said he would take a "clear, clean, deep look" at ticket allocations. "We are victims of football's popularity," he said. "It won't be the same in 2002 [when Japan and South Korea will jointly stage the competition] but we have to have a system."

A European Commission spokesman said Brussels was likely to fine this year's organisers for their handling of ticket sales, indicating that the penalty could be up to 10 per cent of turnover, including broadcasting rights and other revenue in addition to ticket sales.

Brussels challenged the Comité Français d'Organisation (CFO), the body running France 98 in February after it received complaints from national federations about the shortage of tickets for sale outside France. Karel Van Miert, the commissioner responsible for European Union competition policy, accused the CFO – which was allowed to sell 60 per cent of World Cup tickets directly – of discriminating in favour of French fans.

As European callers continued to besiege a special French telephone hotline set up to sell the last 110,000 tickets, the CFO defended its actions and said it thought it had satisfied conditions laid down by Brussels.

"Whatever we had done would have been criticised," the CFO said, adding that there had been 2.5m tickets available and 22m people interested in them around the world. "I can understand people's bitterness, but not everybody can come... Even if we had put on 2,000 operators, it would not have been enough."

The CFO said the hotline had received nearly 20m calls, a quarter on international lines, on its first day up and running on Wednesday. The 90 telephone operators had logged reservations for more than 15,000 tickets. It said it was satisfied with the way events had unfolded, although it was sorry that many people had been unable to get through.

At this rate of progress it will take a week for all remaining tickets to be sold. France Telecom said yesterday there had been 7m calls on the second day, 2m from abroad.

OBITUARY CONSTANTINE KARAMANLIS

Maker of modern Greece

Even his critics admit that Constantine Karamanlis, Greece's long-serving conservative prime minister, who died yesterday at the age of 91, did more than any other political leader to integrate the country into western Europe.

In a political career spanning more than 60 years, Karamanlis oversaw Greece's emergence from poverty and the bitter divisions left by the civil war in the 1940s to become a modern state.

While there is no doubt that Karamanlis's outstanding achievement as prime minister was to gain Greece entry to the European Union, his swift and effective restoration of democratic rule after the collapse of the colonels' dictatorship in 1974 was just as important, leading to the establishment of a two-party political system that has survived the test of time.

Moreover, his determination to see the abolition of the monarchy, flawed by a tradition of interfering in politics, and bring the outlawed Communist party into the political mainstream brought unprecedented stability to Greek political life.

Even in his last years as president, Karamanlis continued wield a strong influence over the centre-right New Democracy party he founded.

Yet Karamanlis did not belong to the Athenian elite that produces most conservative Greek political leaders. He was born an Ottoman subject in the northern Greek village of Proti on March 8 1907 and worked in his father's tobacco fields as a child. Later, when southern Macedonia became part of Greece and his father's farming business prospered, he was sent to Athens to finish secondary school and take a law degree.

Karamanlis entered politics at the 1935 general election becoming the youngest parliamentary deputy, but it was more than a decade before his political career took off. Ruled unfit for military service because of a hearing complaint, Karamanlis spent the war years in straitened circumstances in Nazi-occupied Athens.

His practical abilities surfaced when he held a succession of under-secretary's posts in the late 1940s. But it was his record as an unusually efficient minister of public works that propelled him to the prime minister's job after the death of Marshal Papagos in 1955.

Under Karamanlis's stewardship, Greece achieved one of the highest economic growth rates in the OECD in the next eight years, averaging over 7 per cent annually. The tourist industry was launched, infrastructure rapidly improved and wealthy shipowners were persuaded to invest at home, both in heavy industry and services.

Yet Karamanlis's autocratic style – he was able to reduce less competent cabinet members to tears – and his conviction that the royal family should bend to the prime minister's will eventually led to a decisive confrontation.

Amid growing political turmoil, Karamanlis resigned as prime minister in June 1963 after King Paul and Queen Frederika rejected his advice to cancel an official visit to Britain. At a general election a few months later, the conservatives were narrowly defeated by the Centre Union party and Karamanlis stormed out of Greek politics and into self-exile in France.

Recalled to office when the colonels' regime collapsed after provoking the Turkish invasion of Cyprus in 1974, Karamanlis made membership of the European Economic Community his priority.

A landslide victory for his New Democracy party at the October 1974 election gave him a mandate for radical change. The monarchy was abolished in a referendum, the Communist party was legalised and a new constitution adopted.

Karamanlis: autocratic style

This time, however, Karamanlis proved less successful at handling the economy. His reluctance to loosen the state's grip on the economy or relax price controls contributed to a steady loss of competitiveness in industry.

By the time parliament voted Karamanlis into the presidency in 1980, it was clear the Socialists, led by Andreas Papandreou, were close to gaining power. An uneasy relationship with Papandreou after he won the October 1981 election ended with Karamanlis's retirement from public life when his presidential term ended in 1985.

Nevertheless, Karamanlis's appetite for politics remained undiminished: he agreed to become head of state again when New Democracy returned to power under in 1990. He finally retired in 1995 at the end of his presidential term.

Kerin Hope

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NEWS DIGEST

ROSNEFT PRIVATISATION

Russian oil company to be sold under original terms

The sale of Rosneft, the biggest Russian oil company still to be privatised, will proceed according to the original terms, government officials said yesterday.

The decision defied concerted pressure from Russian tycoons, who argued that the government's price of $2.1bn for a 75 per cent stake was too high.

Government officials said the financiers were merely trying to talk the price down. The government was confident it would find buyers for Rosneft at the current price.

"We have information indicating that potential participants are trying to cut their prices while raising funds at the same time," said Alexander Braverman, deputy head of the state privatisation committee. "So I think that the probability that the sale will not take place is rather low."

The privatisation of Rosneft, scheduled to take place late next month, is shaping up as the most important corporate contest in Russia this year.

The country's biggest business barons, in partnership with leading western corporations, have expressed interest in the company, despite their public complaints that the price is too high. Chrystia Freeland, Moscow

RUSSIAN ELECTRICITY

Denial over Chubais rumour

The Kremlin yesterday denied reports that President Boris Yeltsin had backed Anatoly Chubais, the former first deputy prime minister, to run Unified Energy Systems, Russia's national electricity company.

Mr Chubais, who lost his government job in last month's cabinet shuffle, is believed to be pushing for control of UES, a national monopoly which would give the country's beleaguered reform faction a useful political and economic power-base. But Mr Chubais's political enemies, who include the Communist opposition and some of the country's mightiest financiers, are lobbying hard to keep him out of the job. Even Victor Chernomyrdin, the former prime minister, has joined the campaign, saying on television this week that Mr Chubais should not run UES.

Russian newspapers favourable towards Mr Chubais have reported that UES has become a pawn in the battle over the confirmation of Sergei Kiriyenko, as prime minister.

UES suffered a blow this week when the Federation Council, the upper house of parliament, backed a law limiting the foreign stake in the company to 25 per cent. Foreigners already own more than that, raising concerns about how the law will be implemented. Chrystia Freeland

GREEK STATE-OWNED BANKS

Workers stage strike

Staff at Greek state-owned banks began putting pressure on the government with strikes yesterday in protest against plans to privatise and modernise the sector.

National Mortgage Bank employees walked out in opposition to a merger with its parent company, National Bank of Greece. Both banks are state run.

Staff at Ionian Bank, which is due for early privatisation as part of the government's programme of preparing the Greek economy for European economic and monetary union, said they would strike today. National Bank, the country's largest bank, announced its merger plans last week, saying that it would make it better able to meet the challenge of international competition. Ionian, 65 per cent owned by the state-run Commercial Bank, is expected to be put up for sale as early as June.

Bank shares have led the rally in the bourse since the drachma's devaluation on March 14 and its entry into the European Union's exchange rate mechanism. Reuters, Athens

TURKISH ELECTIONS

Poll set for March 1999

Turkey will hold general elections in March next year, Mesut Yilmaz, the prime minister, announced yesterday after a meeting with the leader of a social democratic party.

Mr Yilmaz and Deniz Baykal, leader of the People's Republican party (CHP), agreed yesterday to hold elections on March 28 next year, one year earlier than required.

Mr Yilmaz's three-party minority coalition needs the CHP's backing in parliament to remain in power. Yesterday's meeting follows an encounter a week earlier in which the two leaders agreed to call elections next year without agreeing a specific date.

The deal has given Mr Yilmaz's weak government a new lease of life by ending speculation, encouraged by Mr Baykal, that elections could be held as early as this summer.

Business leaders now expect the government to move more aggressively to stabilise the economy and push through reforms that would increase support for mainstream secularist parties at the expense of the large Islamist Virtue party. John Barham, Ankara

CHERNOBYL POWER PLANT

Plans to restart reactor

The head of Ukraine's Chernobyl nuclear power station, site of the world's worst civil nuclear accident, said yesterday that he planned to restart one of the plant's reactors next month.

"Reconstruction work on reactor number three is completed," said Sergei Parashin, general director of the Chernobyl power station. "We have carried out hot water testing to make sure all the pipes are functioning normally and we plan to generate power into the national grid on May 5."

Reactor Number 3 – the only one of four reactors which has functioned since Chernobyl's Number 4 reactor exploded on April 26 1986 – was shut down last year after cracks were discovered in the cooling system's pipes.

Western nations have urged Ukraine to shut down Chernobyl completely by 2000. When Chernobyl's Reactor Number 4 exploded 12 years ago, it spewed a radioactive cloud north of the capital Kiev. Reuters, Chernobyl

NETHERLANDS

Health workers in protest

Dutch health workers protested yesterday for better pay inin an attempt to put pressure on the government in the run-up to the general election next month.
About 20,000 protesters packed a conference centre and a nearby soccer stadium to call for better pay for the Netherlands' half-million plus health employees, union spokesman Gerard Veth said. The demonstration signalled the start of a series of protests by health workers in the run-up to the election on May 6. Employees will work shorter shifts throughout the week, and there will be strikes in non-essential services.

Unions are in negotiations for a new collective labour agreement and are calling for a 4.5 to 5 per cent pay rise and extra money to improve working conditions.

Employers say they cannot afford such a rise. They have called on the government to inject extra cash into the health service. AP, The Hague

Saxony-Anhalt spells a headache for Kohl

Sunday's result could prove uncomfortable for Germany's main western parties, reports **Frederick Stüdemann**

Chancellor Helmut Kohl receives flowers from a CDU supporter in Magdeburg Reuters

At the end of the election rally in Magdeburg's market square, the crowd is enjoined to sing the German national anthem. But while Chancellor Helmut Kohl and local candidates from his Christian Democratic Union sing along, few in the crowd in the capital of the east German state of Saxony-Anhalt, where state elections are due on Sunday, know the words and opt for embarrassed humming.

Dissonance between east and west is not only apparent when it comes to the national anthem. Support for the CDU is dropping markedly in the east, presenting the chancellor with a further headache as he tries to overcome the negative impact of recent in-fighting within his coalition and make an effective start to the campaign for the general election, to be held in September.

In Saxony-Anhalt, opinion polls forecast victory on Sunday for the Social Democrats, Mr Kohl's opponents in Bonn, and a 12 per cent slump in support for the CDU. According to Forsa, a polling organisation, the CDU is set to receive 22 per cent of the vote against 43 per cent for the SPD.

The SPD, which currently governs Saxony-Anhalt in a "red-green" minority coalition with the Greens, took power there in 1994, though the CDU share of the vote then was just ahead of that for the Social Democrats.

In an attempt to revive his party's fortunes, Mr Kohl reminds voters of what has been achieved in the east since unification, with investment in infrastructure, local industry, higher pensions and better healthcare.

"On my way here, I passed the Telekom [the German telecoms company] centre. Who would have thought that 10 years ago we, the federal government, were locked in bitter negotiations with the East German leadership over the possible increase in telephone lines between east and west? Today, you have one of the most modern telephone networks in the world."

Peter Gebert, a Telekom engineer present at the rally, agrees. "He's right. People forget all that has been done for the east. If only unemployment wasn't so bad, things might look better for Kohl." He, however, intends to vote for the SPD.

With an unemployment rate of more than 23 per cent, jobs have been the main campaign issue for all parties in Saxony-Anhalt. But Mr Kohl's attempts to link job creation with a relaunch of his government's proposed reform of the German tax system appear to leave little impression with easterners.

Nor has the recent proposal from the liberal Free Democrats, junior partner in Mr Kohl's government, to scrap the income tax "solidarity surcharge" used to finance the east.

Christoph Bergner, the local CDU leader, says recent rows within the national government over taxes and personalities are responsible for the drop in support for the Christian Democrats.

Another effect is the upswing in support for the SPD since the victory of Gerhard Schröder, Mr Kohl's challenger for chancellorship, in state elections in Lower Saxony in early March. "Since March 1, we have had to fight against a considerable mood."

But while Mr Schröder will no doubt seek maximum gain from an SPD victory in Saxony-Anhalt, Sunday could present all the major western parties with an uncomfortable result.

Both the Greens and the FDP may not get the 5 per cent needed for representation in parliament. Meanwhile, the Party of Democratic Socialism (PDS), successor to East Germany's communists, is forecast to get 20 per cent of the vote. At the other extreme, the far-right Deutsche Volksunion (DVU) has made a belated showing and may get more than 5 per cent.

Backed by a millionaire publisher from Munich, the DVU has mounted a high-profile poster and personal mail-shot campaign aimed at the young and pensioners, and based around job creation and opposition to foreigners and the euro, the single currency planned for Europe next year.

If the DVU enters the state parliament, it will complicate Saxony-Anhalt's already confusing political landscape where unorthodox alliances have become the norm.

Since 1994, the SPD and Greens have governed with the "tolerance" of the PDS. This so-called Magdeburg model has proved surprisingly stable, but has allowed the CDU to attack the SPD at national level with claims that the opposition is prepared to work with discredited communists.

If the Greens fail to get back in and the SPD is denied an absolute majority, Reinhard Hoppner, the state premier, will be under increasing pressure from within his party to avoid a repeat of the Magdeburg model.

An alternative could be a "grand coalition" with the CDU, an option Mr Bergner supports. Mr Hoppner officially opposes it, but privately, local SPD officials concede that if the DVU gets in to parliament and the Greens and FDP are left out, the party may have no other choice.

The national implications of a grand coalition in Saxony-Anhalt could prove ominous for Mr Kohl who has said he would not govern with the SPD. His preferred successor, Wolfgang Schauble, CDU/CSU parliamentary party leader, has not ruled it out. As part of his tactic of keeping all options open, Mr Schröder has repeatedly flirted with the idea.

Finnish PM urges consensus over ECB

By Tim Burt in Helsinki

The Finnish government yesterday issued a thinly veiled appeal to France to drop its opposition to the appointment of Wim Duisenberg, the Dutch president of the European Monetary Institute, as the future president of the European Central Bank.

Paavo Lipponen, Finland's prime minister, echoed comments earlier this week by Chancellor Helmut Kohl of Germany by urging a consensus approach to the ECB presidency. In Helsinki yesterday, Mr Lipponen said: "I can only appeal to countries that carry the biggest responsibility here that they think in terms of European interests instead of national interests. We need agreement on this issue."

Until France nominated Jean-Claude Trichet, the governor of the Bank of France, as a rival candidate, Mr Duisenberg was considered a certainty for the post. The Dutch and French governments have threatened to block the appointment of their rival nominees.

Mr Liponnen, whose country is the only Nordic state planning to adopt the euro in the first wave, said a compromise had to be achieved at the Brussels summit on May 2-3.

He also called for the ECB board to reflect the interests of smaller EU member states. Mr Lipponen said he had raised this issue in recent meetings with Jean Luc Dehaene, the Belgian prime minister, and planned to raise it again this weekend at a meeting in Helsinki with Bertie Ahern, the Irish prime minister.

Mr Lipponen, who is committed to creating a "northern dimension" to the euro zone, said the appointment of the ECB president should have been handled better.

However, he stopped short of naming Sirkka Hämäläinen, the governor of the Bank of Finland, as an ECB board candidate.

Belgian ministers quit after Dutroux escapes

By Neil Buckley in Brussels

Two Belgian ministers resigned last night, throwing the government into crisis after the country's most notorious criminal escaped for several hours before being recaptured.

Stefaan De Clerck, justice minister, and Johan Vande Lanotte, interior minister and a deputy prime minister, resigned after Marc Dutroux, alleged to have murdered four young girls, escaped from a court in southern Belgium. After an emergency meeting of the government, Jean Luc Dehaene, prime minister, was due to inform parliament and the Belgian king of the two ministers' resignations.

Belgium's courts and police system have been struggling to rebuild their reputation after accusations that they bungled investigations into a series of paedophile murders, allegedly carried out by Mr Dutroux.

Some 300,000 people staged a silent protest march in Brussels 18 months ago, calling for sweeping legal reforms in the wake of the case.

Mr Dutroux, arrested in August 1996, is awaiting trial on charges of abducting six young girls and killing four of them.

The justice ministry said Mr Dutroux was in an office in the court building in Neufchâteau, south-east Belgium, reviewing case files yesterday afternoon, when he overpowered a police guard and stole his gun.

The convicted rapist used the gun to force the driver out of a passing Renault Megane car, which he used to make his escape. Roadblocks were set up on the borders of Luxembourg and France, both less than 20 miles from Neufchâteau, and police nationwide were issued with photos and descriptions of the missing man.

He was later reported to have been re-arrested at around 6.30pm, Belgian time.

Dutroux's attempted escape provoked calls for the resignation of ministers, threatening the stability of the four-party coalition government.

The government, led by prime minister, Jean Luc Dehaene, has previously ridden out the storm surrounding the Dutroux case, despite an official inquiry report which blamed official bungling for allowing Mr Dutroux to remain at large for so long, possibly leading to more deaths – although the report rejected claims that Mr Dutroux had enjoyed official protection.

Commission staff set to strike over job security

By Samer Iskandar in Brussels

European Commission staff are set to go on strike next week to protest at plans to end job security after union representatives and Commission officials failed to reach an agreement at a "conciliation" meeting yesterday.

The 24-hour strike, scheduled for Thursday, could paralyse the European Union's executive body at an embarrassing time, just two days before the weekend summit which will decide the founder members of economic and monetary union.

Six of the 10 unions representing Commission employees are protesting at plans to end job security for the 17,000 workforce.

These reforms are part of a wider effort by Erkki Liikanen – the Finnish commissioner in charge of budget, personnel and administration – to modernise bureaucracy.

EU institutions are facing increasing pressure, mainly from the Nordic member states, to improve efficiency and adopt greater transparency and accountability.

The tension increased earlier this month when the unions called for a strike shortly after the distribution of an internal document advocating reform.

The document, entitled "Tomorrow's Commission", questioned existing practices and warned of inevitable pressures for efficiency gains. Its author, Carlo Trojan, secretary general, said the Commission had a "heavy managerial hierarchy", "recruitment that sometimes depends too much on political considerations" and "less than perfect management of finances and staff".

Predicting an end to "steadily increasing Community budgets", Mr Trojan called for "clearer priorities" and more effective management.

Mr Trojan suggested efficiency could be improved by the introduction of both renewable, fixed-term contracts for senior employees and a "system of rewards and penalties".

The unions feel the proposals threaten job security for European civil servants, who are all practically guaranteed employment for life and substantial benefits.

Officials estimate that the 10 unions represent between 8,000 and 10,000 of the commission's 17,000 employees.

The document, which invites comments from employees, is part of the preparations for a debate, due to start on May 20, on modernising the Commission.

At an earlier meeting on Wednesday, Mr Liikanen failed to reach an agreement with the unions that would suspend the strike.

Docks ruling a hard blow for Howard

Gwen Robinson on the political impact of the waterfront union's court victory

Howard: reform promise

The Australian federal court's ruling in favour of dock workers is the most serious challenge yet to the attempt by Prime Minister John Howard to impose a new industrial order.

In a stunning victory for the Maritime Union of Australia, which holds a monopoly on the country's waterfront labour, the court upheld Tuesday's order that Patrick Stevedores, Australia's second largest stevedoring company, reinstate 1,400 workers dismissed earlier this month.

The dispute has cut into Australia's export and import-dependent industries and deepened divisions between business and unions. The fight between the union and Patrick is likely to move to the High Court if the company decides to appeal. The battle will broaden next month into a full hearing on the union's claims of an "unlawful conspiracy" between Patrick, the government and the National Farmers' Federation, the main farmers' lobby, to break the union's hold on waterfront labour.

The broader implications of yesterday's ruling have struck at the heart of the government's labour reforms and have damaged its credibility in what is shaping up as an election year.

More significantly, the court's full bench supported the suggestion by Tony North, one of its judges, that the union had been a victim of conspiracy between the government and business interests.

"Just as it is not unknown in human affairs for a noble objective to be pursued by unlawful means, so it sometimes happens that desirable ends are pursued by unlawful means..." the court said.

The judgment was a direct rebuke to Mr Howard's government, which came to power two years ago on promises of labour reform.

In fighting Patrick's move to replace its workers with a non-unionised workforce, the maritime union tested Mr Howard's "workplace relations" reforms to the limit.

The reforms were aimed at streamlining labour relations and marginalising industrial action through a series of rules curtailing the right to industrial action.

The reforms succeeded in areas such as services and the white-collar sectors, where unions are becoming a thing of the past. But the maritime union, with its long tradition of activism and its powerful international connections – including support from the UK-based International Transport Workers' Federation – came out fighting.

The big mistake by Chris Corrigan, Patrick's chief executive, and Peter Reith, the government's industrial relations minister who supported him, was Patrick's attempt to dismiss workers through a system of shell companies. Mr Corrigan insists that the shell companies which technically employed the workers were insolvent.

Mr Reith has staked his – and the government's – image on support for Patrick. Mr Howard yesterday, on the eve of his departure to Thailand yesterday, said his government would continue the battle for "a more economic, reformed productive and more competitive" waterfront.

Union leaders say Mr Reith played a pivotal role in planning Patrick's attempt to switch to non-unionised labour. Apart from strong verbal support for Patrick, Mr Reith announced the government would finance redundancy packages for the dismissed workers, within hours of their dismissal.

Mr Reith intended to follow the Patrick saga up with a second wave of industrial relations reforms, to coincide with the government's gathering campaign for the forthcoming election.

Such promises will also go on trial in the court hearing on the union's conspiracy claims. The government together with Patrick advocates must convince the federal courts they acted legally in seeking to dismiss the workers. The court's judgments this week suggest their chances are slim.

The union yesterday indicated it would widen the scope of its conspiracy claims to include Patrick's bankers and financial institutions.

REGIONAL CRISIS BANK STRESSES THE NECESSITY FOR STRUCTURAL REFORM TO RETURN COUNTRIES TO PATH OF ECONOMIC GROWTH

ADB warns of social turbulence in Asia

By Peter Montagnon, Asia Editor, in London

The Asian Development Bank warned yesterday of the risk of political turbulence in Asia if social problems created by the region's economic crisis were ignored.

"The affected economies are likely to experience considerable social turbulence as the social impact of the crisis unfolds," it said in its annual Development Outlook. "There will be a significant increase in the incidence of unemployment and poverty as these economies go into a tailspin."

Its warning comes against the backdrop of a gloomy forecast for East Asia where growth rates are expected to fall sharply this year and recover only modestly in 1999. The brunt of the economic impact of last year's financial crisis will be born in 1998, said Lee Bong-suh, ADB vice-president, but there will be no quick recovery as there was in Mexico and Argentina after their crisis of 1994-95.

It will take several years before Asia returns to pre-crisis growth rates and per capita income levels. The main requirement is not traditional austerity but structural reforms to improve the affected countries' financial systems and corporate governance.

Mr Lee said the ADB was fully behind the International Monetary Fund rescue packages for Asian countries but he acknowledged that there had been differences of opinion in the international financial community over the appropriate mix of structural reform and economic austerity. The Outlook hints at fears within the ADB that the IMF might have placed too much reliance on the latter. Tight money was necessary after a currency shock but the balance must be right, it says. "High interest rates have serious adverse effects on banks and corporate entities and slow down the economy."

The ADB comes down firmly on the side of further liberalisation of Asia's financial systems as long as structural improvements are made in banking and capital markets.

"The difficulties the affected economies have experienced are not grounds for inaction or for adopting measures that will retard the liberalisation process," it says. "The benefits of globalisation are too large to ignore."

A feature of its forecasts are expectations of sharply higher growth rates this year in south Asia than in east Asia which has been worst affected by the crisis. In part the rebound in India and Pakistan reflects recovery from exceptionally poor harvests last year, but the growth rates expected in south Asia would be higher still in 1998 without the crisis elsewhere in the region.

Mr Lee said the ADB was optimistic about India's economic prospects based in its reform record, but more cautious about Pakistan. In a broad-ranging study last year the ADB suggested south Asia could enter a period of accelerated economic growth as more young people entered the labour market.

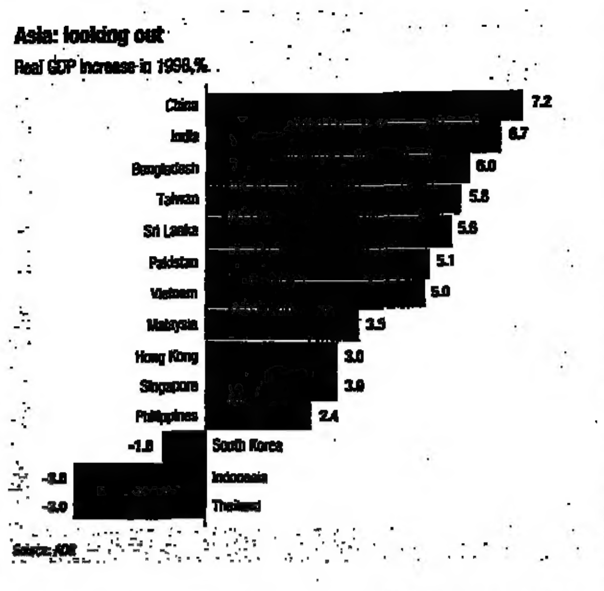
This could put it on a faster growth track than east Asia whose economies have to cope with an ageing population, the ADB said, but Mr Lee was cautious about interpreting the current relatively better performance of south Asia in this light.

Elsewehere the Outlook warns that South Korea must maintain the momentum of its financial, corporate and labour market reform if it is to recover form the crisis. "Strict implementation of the economic reforms is crucial for the recovery of foreign investment," it said.

In spite of China's resilience to the crisis, it may not be immune from future shocks, it added. Beijing needs to deal with the weak financial sector and its ailing state enterprises. With appropriate policies, China could live up to its promise not to devalue its currency.

Asia: looking out

Real GDP increase in 1998,%



Source: ADB

El Niño harming Asians' health

El Niño, the ocean warming phenomenon that is already notorious for causing drought and forest fires, has also had a serious effect on Asians' health, the ADB report says.

Poor air quality resulting from haze and smog has pushed up asthma cases by two-thirds in Malaysia where the increase in upper respiratory tract infection of adults increased 22 per cent last year and cases of conjunctivitis rose by 61 per cent.

Singapore also reported a marked increase in acute respiratory tract infections while asthma cases increased significantly in the southern Philippines. A cholera outbreak in the Cook Islands was associated with a shortage of drinking water.

Overall El Niño is expected to cause a 1 per cent drop in economic output this year in Indonesia, Malaysia and the Philippines, the most affected countries which are suffering their worst drought in 50 years.

Hong Kong to stick with interest rate weapon

By Louise Lucas in Hong Kong

Five months after launching its review of Hong Kong's financial markets in the wake of the Asian financial crisis, the government has concluded that interest rates must remain its main tool to defend the currency.

"It is regrettable that the interest rate pain has to be borne by all borrowers of Hong Kong dollars... yet it would not be practicable for a system operating largely on auto-pilot to be selective in administering pain," the report said.

The extent of the pain, sparked by speculative attacks on the Hong Kong dollar in October which pushed overnight interbank interest rates up to 280 per cent, has been highlighted in recent weeks.

A combination of high interest rates and a slowdown in the economy have resulted in a credit squeeze, and a number of companies are being forced to restructure their debt.

Unemployment is also rising. Yesterday British American Tobacco China became the latest company to dismiss staff. It said high costs had prompted it to move manufacturing to Singapore, where costs are half those of Hong Kong.

Donald Tsang, financial secretary, said: "We are certainly facing a tough time. We will see a much slower growth rate than last year, and unemployment rising." Mr Tsang said the government's push on fixed mortgage was a means of alleviating the pain of high interest rates for home owners.

Other "fine tuning" recommendations include tightening rules on warrants and other derivative tools, by ensuring issuers meet certain credit ratings and capital criteria.

On the stock market, Anthony Neoh, chairman of the Securities and Futures Commission, said there were plans to give more "teeth" to the listing rules. One option is to seek redress through the courts for breaches of the rules. Sanctions currently range from a reprimand to suspension of the stock, which arguably affects shareholders more than the company.

The government offered few pointers for change in its management of the monetary system. Mr Tsang underlined the government's commitment to the peg – the last fully convertible currency in the region to retain an exchange rate link to the US dollar – and said the Hong Kong Monetary Authority, the quasi central bank, would remain passive in its management of interest rate movements.

Daewoo chief criticises slow pace of economic deregulation

By John Burton in Seoul

The head of South Korea's huge Daewoo group yesterday criticised the government for failing to take adequate steps to deregulate the economy, which could give rise to "the danger of industrial crisis".

At a conference of Korean government and corporate leaders sponsored by the Financial Times, Kim Woo-joong said: "The government needs to lead the private sector by presenting a management model in the public sector and pragmatic reform programmes based on a realistic approach, rather than just offering textbook statements."

Kim Dae-jung, the new Korean president, has blamed excessive borrowing and over-investment by the nation's conglomerates, or *chaebol*, for the recent financial crisis and urged them to reduce their sprawling industrial empires.

The Daewoo chairman, who was recently elected head of the Federation of Korean Industries, which represents the *chaebol*, said he supported government proposals on corporate reform, including improved transparency, the abolition of cross-payment guarantees, lower debt, and management responsibility by *chaebol* owners.

But he warned that Korea could be headed for a new financial crisis triggered by more bankruptcies if the government failed to implement "financial, administrative and fiscal" reforms that would "minimise unnecessary sacrifices in the course of corporate restructuring".

He claimed the *chaebol* had high debt levels, amounting to five times equity, because of the inefficiency of the financial sector. The debt burden of Korean carmakers, for example, has been inflated because they assume responsibility for consumer financing because of the backwardness of the financial system.

Mr Kim believed the *chaebol* could weather the economic crisis by generating enough cashflow to service debts through increased exports and cuts in industrial investments.

He predicted that exports could grow by 20 per cent this year because of the depreciation of the Korean currency, the won, which would result in the nation posting a $50bn current account surplus after years of deficits.

But some analysts questioned whether the *chaebol* would be able to achieve such an ambitious export target. Christopher Tinker, regional Asian economist for ING Barings, said high export growth was "unrealistic" because of the economic slowdown in Asia, which is Korea's biggest overseas market.

The government, meanwhile, defended its record on deregulation: "I believe there are few countries which have pushed the liberalisation of foreign investment faster or more effectively than we have," President Kim told the conference.

China's attack takes gloss off Taiwan talks

By James Kynge in Beijing

Taiwan and China agreed in their first bilateral talks for nearly three years yesterday to raise the level of their semi-official contacts this year. But even as such progress was being made, Beijing launched an acid verbal attack on its longstanding rival.

Jan Jyh-horng, head of a delegation from Taipei's Straits Exchange Foundation (SEF), said that he had agreed with his Chinese counterparts that Koo Chen-fu, who heads the SEF, may visit China this year.

It was a meeting between Mr Koo and his mainland counterpart Wang Daohan, head of the Association for Relations Across the Taiwan Strait (Arats), in Singapore in 1993 that initiated a series of "technical" talks to cultivate understanding between the two sides. Those negotiations were, however, broken off by Beijing in 1995 in protest over a visit by Lee Teng-hui, Taiwan's president, to the US.

Mr Jan did not go so far as to say that a second Wang-Koo meeting would be convened, but it is unlikely that Mr Koo would travel to China unless it was to meet Mr Wang. Such a meeting would be regarded as a step towards stability in one of the most volatile and complex relationships in Asia.

Mr Jan quoted Tang Shubet, vice-chairman of Arats, as saying he was pleased to hear the Taiwanese proposal that Mr Koo visit China.

"Although these talks were not wide-ranging, meeting face-to-face can help the exchange of views and mutual understanding," Mr Jan added.

The apparent thaw in relations across the Taiwan Strait helps to remove an impediment to the flourishing of US-China ties before a planned summit between Bill Clinton, the US president, and Jiang Zemin, his Chinese counterpart, in June.

Washington applied pressure behind the scenes to bring Taipei back into the talks, thereby making amends in the eyes of Beijing for the visa it granted to Mr Lee in 1995, diplomats said.

Meanwhile China's official news agency, Xinhua, yesterday issued a strident denunciation of a recent Taiwanese proposal jointly to host a regional forum with Beijing to discuss solutions to Asia's economic crisis. Both economies have been relatively unscathed by the crisis.

"This deceptive show of benevolence by the Taiwan authorities in reality is another political trick with ulterior motives," said the Xinhua report.

The fundamental tension between Taipei and Beijing has scarcely altered since China test-fired missiles near to Taiwan in 1996. Taipei remains intent on expanding its diplomatic contacts and Beijing remains committed to preventing it from doing so.

SEDITION JUDGMENT OPPOSITION POLITICIAN FACES JAIL

Free speech roadshow hits bumpy patch in Malaysia

By Sheila McNulty in Petaling Jaya

Lim Guan Eng is on a roadshow in Malaysia selling the principle of free speech.

He is travelling the country to convince Malaysians to take a stand – not simply for him but for the broader issue of free speech.

Mr Lim is an opposition politician who is fighting a Court of Appeal judgment against him. He knows time is running out. He expects to be behind bars before long.

He says the authorities are challenging his right to criticise them for not detaining, still less prosecuting, a prominent politician alleged to have committed the statutory rape of a 15-year-old schoolgirl in 1994. Instead, they detained the girl for months.

"The people must send a very clear message to the government that they will not be intimidated," he says. "The people must tell the government that if you kill off one Lim Guan Eng, there will be five, 10, or even 100s more waiting to replace him."

Abdul Rahim Tamby Chik, the politician at the heart of the rape scandal, was at the time president of the youth wing of the ruling United Malay National Organisation. The authorities said there was insufficient evidence to prosecute him.

Marina Mahathir, daughter of the prime minister, Mahathir Mohamad, wrote at the time in a column in a prominent daily: "What protection can we hope for our daughters if, in the interests of politics, a minor can be so easily sacrificed?"

Mr Lim also took up the case and was subsequently charged and convicted of sedition and maliciously publishing false news. He was fined M$15,000 (US$4,000), ensuring automatic disqualification of his parliamentary seat, but he appealed.

On April 1 the Court of Appeal dismissed Mr Lim's appeal and instead allowed the public prosecutor's cross-appeal against the inadequacy of sentence. It handed down concurrent sentences of 18 months' jail for each offence. Mr Lim is appealing one final time.

"This is as open, as naked, an attack as you can get on the principles of truth and justice," Mr Lim said. "I have no illusions about what is going to happen in federal court." He only hopes to win the case for free speech he is now taking to the public.

Mr Lim's campaign comes at an inauspicious time. The authorities are always sensitive but the Asian financial crisis has made them more so. The local media, which is self-censored for fear of reprisals, says in recent months it has been told to put positive spins on falling share prices and the currency. There has been talk of arresting those believed to be sabotaging the economy.

And in the past few days, as thick smog from uncontrollable fires has blanketed the capital and shut schools in some cities, the authorities have warned the local media against continuing to play up the problem.

"The operators of the television stations are not thinking of the country's interests," the information minister, Mohamed Rahmat, told reporters.

This is certainly not the time for Mr Lim to be rallying the people to demand greater freedoms. With tensions heightened by the economic crisis, the forest fires and a considerable water shortage, the authorities are not about ready to relax their hold.

Dr Mahathir has already taken a stand, saying there has been no erosion of freedom of speech. The lower house of parliament has decided against debating the matter as it would "amount to sub-judice".

The government-controlled media is not giving Mr Lim's campaign much attention. They have even refused in some cases, he says, to run advertisements of the round-table discussions his Democratic Action party is staging on his behalf.

But a surprising number of Malaysians are stepping forward to attend the talks on Mr Lim's predicament and e-mails of support are pouring in. Posters, stickers and buttons bearing a solemn image of Mr Lim as he was led off in handcuffs after the latest judgment are slowly making the rounds.

هكذا من الأصل

UN's human rights body under fire

By Frances Williams in Geneva

The operation of the United Nations Commission for Human Rights came under attack yesterday from its own chairman as well as human rights groups for playing politics rather than making a genuine attempt to promote human rights and tackle abuses.

Jacob Selebi, South Africa's ambassador to the UN in Geneva and current chairman of the commission, said it was essential to reform the block voting system which led "people to vote on the basis of group solidarity and not on the substance of human rights issues".

At a news conference ahead of the end of the commission's annual session today Mr Selebi said the group system may have been of use in the past but it was now a "hindrance".

Mr Selebi's outspoken attack on the workings of the commission coincided with accusations by human rights groups that grave human rights violations in Algeria and China have been ignored.

Before the six-week commission session, both the European Union and the US announced that they would not sponsor a resolution against China in recognition of progress made and continuing discussions on human rights.

For its part, Algeria has vigorously resisted outside intervention despite persistent calls for the UN to investigate massacres in the country which have led to the deaths of more than 65,000 people since 1992.

Joanna Weschler of the US-based Human Rights Watch said by doing nothing on China and Algeria the US contributed to the surprise defeat of its resolution on Cuba on Tuesday, because it underlined "the lack of consistent standards" in US human rights policy.

The commission this year passed resolutions criticising killings and other abuses in Afghanistan, Congo (former Zaire), Colombia, Iran, Iraq, Burma, Nigeria, Rwanda, Sudan and the former Yugoslavia. A vote on Burundi is expected today, along with a statement on east Timor.

Mr Selebi yesterday attributed the failures of consistency to group voting, and said he would be urging the commission to look at reform. He would also be recommending changes to the commission's agenda next year so that it could look more flexibly at different human rights situations rather than continue "ritualistic" discussion of the same old issues.

At the same time, he said the commission, which this year celebrated its 50th anniversary, had had some successes, including a declaration calling on states to protect human rights defenders which now goes to the UN general assembly for approval.

IISS STRATEGIC SURVEY CHALLENGE TO FIND NEW WAYS TO CONTROL EMERGING THREATS

Globalisation 'makes the world less safe'

By Alexander Nicoll, Defence Correspondent

It is not just financial markets that have gone global. So too has the manufacture of deadly weapons.

Globalisation, according to the International Institute for Strategic Studies, has raised "fundamental questions about the capacity of the international system, as currently organised, to ensure stability and security".

In its annual Strategic Survey, published yesterday, the London-based think-tank argues: "The challenge to the managers of modern security is to find, either through new institutions or new methodology, a way to create and co-ordinate sound global policies to control the emerging threats."

It says the speed with which money and information cross borders has eroded governments' capacity to govern, with thousands of private sector investment and financial decisions causing sudden movements of capital and collapses in asset values.

Globalisation of markets did not, the IISS admits, cause a domino effect in which the financial crises affecting Asian economies spread to US and European markets.

But it does have other worrying aspects. "The proliferation of technological know-how and the capacity to manufacture modern weapons significantly increases the threat to security worldwide."

More and more states have the technical skills to research nuclear, biological and chemical weapons for which they can acquire parts on commercial markets. Terrorists and drug traffickers can use the same speedy communications and information technology as everybody else.

These trends pose a particular challenge to the US as the "hyper-power" to which the world turns to solve many of its problems. The US performance in carrying out this role is an important theme of the Strategic Survey, which says that "for the management of serious crises in the world, it is always necessary for the US to act."

It says Washington's ability to recognise an impending crisis has been hampered by globalisation, "which has created conditions within which crises breed with increasing speed, but also initially with uncertain impact".

The US is sometimes slow to see the strength of a developing problem and to decide on how its national interests are affected.

Its reaction is also constrained by domestic politics, with the Clinton administration distracted by possible hostile reaction from Congress to any development. "Even at the best of times, US attention to the world outside is intermittent."

As a result, problems fester until they reach a point when they require forceful US action, although the American public is still indifferent to them.

The IISS argues this was the case in last year's two big crises, the Asian financial collapse and the confrontation with Iraq.

In Asia, the US did not force concerted action until the collapse of Thailand's economy had brought down some of the other Asian tigers, and the hesitant stages in which rescue packages were put together slowed potential economic recoveries.

"Saddam Hussein's obstruction of the international inspection teams had increased steadily throughout 1997, but it was not until the crisis reached boiling-point that the US moved decisively to force him to back down," the institute says.

It sees Washington needing to tread a fine line between acting unilaterally and through international institutions, which in both of these cases had the effect of making remedial actions less clear-cut.

The Clinton administration has leaned towards working through international institutions to avoid adverse reactions at home and abroad, but the consequent softening of US positions also invites adverse domestic reaction.

Nor can the US rely on "willing coalitions" of allies, partly because "the siren song of commercial gain is a strong competitor to unity".

As Washington juggles the diplomatic utility of a multilateral approach with unilateralism, "the quality of US leadership in the future will be judged by the wisdom of the choice it makes between these two strategies," says John Chipman, IISS director.

Dilution by the United Nations of the stance taken by the US and UK against Baghdad "has opened up the possibility that Iraq will wriggle out from under the sanctions regime before its strongest critics are convinced it has met the conditions established for lifting sanctions," the institute says.

The IISS believes, however, that sanctions cannot be sustained and that a means will have to be found to insist on intrusive inspections without sanctions to back them up.

This reality, it says, reinforces the urgent need for the US to accelerate the Middle East peace process, since its failure to use its influence in the region to the full "has dissipated its moral leadership in the Arab world."

In the Middle East as in other troublespots, the IISS argues, "only the US has the capacity to lead and, when it wishes to exercise the capacity to the full, it is able to dictate the terms on which solutions can be found."

This applies too to the problems which the institute identifies as arising from globalisation. "Unless the US chooses to frame a policy, it is unlikely that any answers will be found to the security crises thrown up by globalisation."

In the Middle East as in other troublespots, the IISS argues, 'only the US has the capacity to lead and, when it wishes to exercise the capacity to the full, it is able to dictate the terms on which solutions can be found'

NEWS DIGEST

NIYAZOV IN WASHINGTON

Treat us as equals, Turkmen leader tells US

The president of Turkmenistan yesterday called on leading industrialised nations to stop treating central Asian countries as "spheres of influence" to be exploited and look upon them instead as "reliable partners" in economic development.

On a trip to Washington, where he met President Bill Clinton yesterday for talks which included discussion of the construction of a new oil and gas pipeline, Saparmurat Niyazov said the oil-rich nations of the Caucasus would be crucial to world economic growth in the 21st century.

"We intend to stand firmly on our feet and co-operate as equals with everybody who is ready to co-operate with us," he said in a speech at Johns Hopkins University.

The pipeline issue is dominating Mr Niyazov's nine-day visit. US officials have been hoping to use Mr Niyazov's visit to secure what they regard as a vital element of the US economic and strategic interest in the region. The US wants the new pipeline to head westwards from Turkmenistan to Turkey. Some in the region are suspicious of US intentions and would prefer an alternative route that would not serve the west directly. This week Mr Niyazov signed exploration agreements with US oil companies in what is expected to be one of the most important oil-producing regions in the next few years. Mr Niyazov gave no hints about the final pipeline route, saying only it would "require unprecedented regional co-operation, contribute to creation of a great number of jobs and become a powerful catalyst to rational ending of conflicts, such as the intra-Afghan conflict." **Gerard Baker, Washington**

INTELLECTUAL PROPERTY RIGHTS

Plants get copyright safeguard

An international treaty strengthening the intellectual property rights of plant breeders comes into force today. Among other provisions, the accord will prevent genetic engineers from freely copying or using protected plant varieties bred in conventional ways.

Until today, a genetic engineer could use a protected plant variety of rice, wheat or other crop as a carrier for an innovation such as insect or herbicide resistance without the breeder's permission.

The new treaty, adopted in 1991, applies to plant varieties protected under the International Union for the Protection of New Varieties of Plants (Upov), which operates under the umbrella of the Geneva-based World Intellectual Property Organisation. Although the pact, which strengthens Upov's original 1961 convention, has been ratified by only six countries, more than 30 states have adopted its provisions in their own domestic law including the US and the 15-member European Union.

Upov, which now has 37 members, expects many more countries to join soon as a way of implementing their World Trade Organisation commitment to provide effective protection for plant varieties. This commitment, already in force for industrialised nations, will apply to developing nations from January 2000. **Frances Williams, Geneva**

REGULATING WORLD MARKETS

Unions call for policy changes

An independent international commission should be established by leading industrialised nations to consider how an effective regulatory framework could be created for the running of international financial markets. This was the main proposal presented to Tony Blair, the UK prime minister, who will head next month's G8 jobs summit in Birmingham, yesterday by trade union leaders from the world's leading economies under the umbrella of the trade union arm of the Organisation for Economic Co-operation and Development.

The union leaders want the proposed commission – based on the lines of the body that Willi Brandt, former German chancellor, chaired on the "north-south divide" 20 years ago – to report "rapidly" on the policy changes they believe are necessary to avert future financial crises such as those in Asia and Mexico. These would include redefining the role of international financial institutions such as the Bank for International Settlements, the IMF and the World Bank so that "structural adjustment programmes promote good governance and respect for human rights, increased employment and poverty reduction and not austerity and blind deregulation". **Robert Taylor, London**

WHITEWATER INVESTIGATION CLINTON'S JAILED FORMER ASSOCIATE WILL NOT GIVE EVIDENCE ABOUT PRESIDENT TO GRAND JURY

McDougal refuses again to testify

By Gerard Baker in Washington

Susan McDougal, the former business associate of President Bill Clinton, whose evidence could unlock many of the secrets surrounding allegations of wrongdoing in Mr Clinton's past, again refused to testify before a grand jury yesterday.

Led into a Little Rock courtroom shackled hand and foot, Mrs McDougal said she would not speak to the jury about claims Mr Clinton did anything unlawful in connection with the Whitewater property development when he was governor of Arkansas in the late 1980s, because there was "nothing to say".

"I won't talk," she said.

Mrs McDougal is serving time in federal jail for her continuing refusal to co-operate with the investigation by Kenneth Starr, the independent counsel. In September 1996, she was sentenced to two years' imprisonment having been convicted on charges that she wilfully received an unlawful loan tied to Whitewater from a financial institution run by her husband James McDougal, who died last month.

Mr Starr offered Mrs McDougal immunity from further prosecution if she would then tell him what she knew about Mr Clinton's involvement in the loan. Her husband and David Hale, another Arkansas businessman, both subsequently testified that Mr Clinton had persuaded them to make the loan. Mrs McDougal's refusal to talk forfeited her right to silence since she had already been promised immunity. She was given an additional 18-month sentence on charges of civil contempt of court.

Mr Hale himself has already served a prison term and went on trial on Wednesday on a separate state charge of lying to insurance regulators. Mr McDougal died in prison. Both men co-operated with the independent counsel.

A spokesman for the independent counsel's office said yesterday's appearance represented Mrs McDougal's last chance to testify. If she refused again, she would be charged with criminal contempt, a much more serious offence. To add to her problems, she is also currently awaiting trial in California on separate charges of embezzlement. Her lawyers insist Mr Starr's investigation is politically motivated. She would answer questions "if she were asked that by a truly independent prosecutor, who didn't have a corrupt agenda," said Mark Geragos, her attorney. But he added she had no evidence of wrongdoing by Mr Clinton.

The Little Rock grand jury has recently been looking into the activities of Hillary Rodham Clinton; Webb Hubbell, her former Rose Law Firm partner; and Hubbell's father-in-law, prominent Little Rock businessman Seth Ward.

Mr Clinton is also being investigated by a grand jury in Washington about allegations that he had a sexual relationship with a White house official and then urged her to lie about it.

Gun makers seek export clarification

By Nancy Dunne in Washington and Gautam Malkani in London

Handgun manufacturers in the US said yesterday they were seeking clarification of a State Department move to revoke licences for exports of firearms to Britain.

The US has begun to contact about 200 weapons manufacturers to inform them that export licences for the UK were being revoked on suspicion weapons were ending up in the wrong hands.

This is expected to be the first step in a series of actions to staunch a flood of handguns to criminals and countries where internal conflict has created demand.

The manufacturers said, however, the effect of Washington's decision would be limited. Smith and Wesson, the largest US exporter of handguns, said a small number were sold to UK law enforcement agencies.

The company exported 200 handguns to the UK last year, down from an average of 1,000 before UK gun control legislation.

Britain was singled out by the US government because of its ban on handguns, enacted after the 1996 murder of 16 children in Dunblane, Scotland. Washington says requests for licences have continued to come from Britain, and officials assume the guns are meant to go elsewhere.

"The effect of this on our UK business will be zero because the number of handguns we sell there is negligible," said Anthony Sprio, an executive of Tomkins, the British company which owns Smith and Wesson.

He said more rigorous controls by the US government to verify destinations would duplicate those practiced by gun manufacturers: "Our exports always have to be accompanied by end user certificates, and if the company is in any doubt about the authenticity of these it will not accept the order."

The effect on Tomkins would still be small if export controls were applied to the whole of Europe: "Our total sales to Europe are in the region of 8,000 units – that's under 2 per cent of sales."

The State Department's Office of Defence Trade Controls has begun telling manufacturers that licences were being revoked because it has not been able to track weapons exported to Europe through to their final destinations. It believes thousands of high-powered and semi-automatic US firearms were trans-shipped through Europe to groups in Rwanda, Bosnia, Algeria and Turkey.

Britain was singled out by the US government because of its ban on handguns, enacted after the murder of 16 school children in Dunblane, Scotland in 1996

Jeff Reh, an attorney with Beretta USA, a handgun manufacturer, added: "At the lower levels of the State Department there is a lot of confusion as to what the directive is supposed to be. Right now they've suspended licences for all firearms. Whether that will remain intact remains to be seen."

The US is unhappy about a European Union directive regulation which allows guns to be imported and then re-exported elsewhere. The issue is likely to arise during next month's Group of Eight meeting in Birmingham, England.

Paraguay opposition benefits from ruling party squabbles

With its first presidential candidate in jail and a new ticket made up of bitter enemies, the Colorado party appears to be tempting voters to make a decisive break with the past, writes **Ken Warn**

When it comes to internecine strife, Paraguay's ruling Colorado party could run a masters' course.

Last week former General Lino Oviedo was the party's presidential candidate, with a strong lead in the opinion polls – despite languishing in a cell in a barracks outside the capital, Asunción.

This week, after a concerted campaign of opposition by his own party's leadership, Mr Oviedo's imprisonment continues. But his dream of winning the presidency, even from jail, is over.

The Supreme Court last Friday confirmed a military tribunal's 10-year prison sentence against Mr Oviedo for an April 1996 coup attempt against President Juan Carlos Wasmosy, definitively blocking the former head of the army's candidacy.

Mr Wasmosy has battled hard, bending the country's fledgling democratic institutions to near breaking point, in his efforts to halt Mr Oviedo's candidacy.

After ditching Mr Oviedo, the party is struggling to unite behind a presidential ticket comprising one of the former general's most loyal supporters and one of his most bitter enemies. If the unlikely alliance gels, presidential elections could go ahead on May 10 as planned.

Raúl Cubas Grau, the general's former running mate, has stepped in as the party's candidate. A businessman with a reputation as a technocrat, Mr Grau lacks a firm power base of his own. So far his electoral appeal is largely based on his link with Mr Oviedo.

Mr Oviedo's fiery populist rhetoric and promise of a return to pre-democracy social certainties won him a wide following despite being loathed by the party's power-brokers. "Cubas is effectively running as Oviedo," said political analyst Carlos Martini. "It's a way for the Colorados to dispose of their original candidate but keep his votes."

Mr Cubas's running mate is Luis María Argaña, party president and leader of its biggest faction. He is a hard-liner who served as head of the Supreme Court in the last years of General Alfredo Stroessner's 34-year dictatorship, which ended in a palace coup in 1989.

Mr Argaña narrowly lost out to Mr Oviedo in last September's party primaries and has been seeking revenge ever since. Mr Wasmosy himself is barred by the constitution from seeking a second consecutive term.

But the party is cutting things fine. The Cubas-Argaña duo looks unstable, and some party members are pressing for an election delay to win time to resolve its internal conflicts.

The infighting is a gift to the opposition Democratic Alliance, which, along with the country's supreme electoral tribunal, is determined that the elections go ahead on May 10. The alliance comprises the Liberals – the Colorados' historic foes – and the young urban-based party, Encuentro Nacional.

Mr Oviedo regularly registered 6-8 percentage point advantages over the opposition in the opinion polls. But the alliance ticket, led by veteran Liberal Domingo Laino, moved ahead in one poll at the weekend. It hopes voters, fatigued by 50 years of corruption and inefficiency at the hands of the Colorados, will vote for a break with the past. The ending of Mr Oviedo's candidacy appears to have lessened the possibility of military intervention in the country's politics. Mr Wasmosy has replaced Oviedo loyalists at the head of the armed forces, and the new top brass feared a purge if Mr Oviedo were elected president.

The country's long-suffering voters are hoping months of political turmoil, which have called the country's democratic future into doubt and brought inward investment to a near standstill, are drawing to a close.

Oviedo: imprisonment continues

Guatemala may take tobacco action in US

By James Wilson in Panama City

Guatemala is exploring legal action against two tobacco companies to recover healthcare costs claimed to be associated with smoking, in what is believed to be the first such move by a sovereign state.

A successful action could open the door to further claims from countries which considered treating any such cases as having been a burden on their state healthcare systems.

It would provide a further headache for beleaguered multinational cigarette companies which have backed out of a proposed US tobacco settlement and could face further expensive legal proceedings.

Acisclo Valladares Molina, Guatemalan attorney-general, has hired a US law firm to look into litigation to recover money spent by the republic on such healthcare. Mr Valladares Molina said $600m "was not an exaggeration".

Fleming, Hovenkamp and Grayson, the law firm, said it was still researching the likely sums involved and the companies that would be targeted.

Two companies, Tabacalera Nacional and Tabacalera Centroamericana (Tacasa), share the Guatemalan market. The first is a subsidiary of BAT; Tacasa is controlled by Philip Morris. Tacasa's Rubios brand is market leader. The company has 70 per cent of the market.

D'Lisa Simmons, an associate attorney at the Houston law firm, said the tobacco companies' attitude would determine whether a settlement was reached or whether legal action would begin.

Litigation was being investigated in the US and in Guatemala, Ms Simmons added, though Mr Valladares Molina said action should be in the US courts.

Luis Gomez, director of corporate relations at Tabacalera Nacional, said he had no further information about possible legal action. The company's cigarettes sold in Guatemala are made in Honduras with Guatemalan tobacco. Tacasa would not comment further. In the US the companies had no knowledge of the Guatemalan action.

NEWS DIGEST

DEFAMATION AND WEB

AOL ruled exempt in $30m lawsuit

Internet service providers are exempt from US laws holding newspapers, magazines and broadcasters accountable for information they disseminate, a federal judge has ruled in dismissing America Online as a defendant in a $30m defamation lawsuit.

The ruling came in a case filed by Sidney Blumenthal, a White House adviser, and his wife, against AOL, the largest computer online service, and Matt Drudge, an online gossip columnist, concerning a story in August in his column, published on AOL. The story was later retracted with an apology.

In the traditional media, publication of a false accusation could be subject to defamation or libel laws. US District Court Judge Paul Friedman ruled that Congress exempted AOL and other internet services when it passed the Decency Act of 1996.

The Act, which primarily addressed public concerns about pornography on the internet, limited the liability of internet service providers by determining they were not responsible for the content of web sites transmitted via their services. The ruling in Mr and Mrs Blumenthal's case has set a precedent by applying the law to an erroneous and possibly damaging published report. **Louise Kehoe, San Francisco**

PERU ECONOMY

Deficit seen as 'worrying'

Peru's current account deficit will approach "worrying" levels this year under the twin influence of the El Niño weather phenomenon and the Asian financial crisis, its minister of finance said yesterday.

But the shortfall looked worse than it actually was – because some 70 per cent of it would be financed by foreign direct investment, he said. The minister, Jorge Camet, said in London that the deficit was expected this year to increase to 5.9 per cent of gross domestic product, from 5.2 per cent last. "This could be worrying and it is. . . but 70 per cent of this is financed by long term capital." Big self-financing investments in telecommunications and mining were simultaneously increasing the deficit and offering the prospects for future growth, he said.

The deficit was projected to fall to 3 per cent of GDP by 2003 and that foreign exchange reserves, at close to $10.3bn, offered significant protection. This figure was equivalent to 15 months of exports and six times the monetary base.

He said the effect of El Niño would reduce GDP this year by about 2 percentage points – compared with 13 points when it last hit severely in 1983. **Stephen Fidler, London**

NICARAGUAN DEBT RELIEF

Deal reached with Paris Club

Negotiations between Nicaragua and Paris Club creditor nations have produced an agreement to restructure the Central American country's debt.

The restructuring would bring Nicaragua interest relief on its debt worth $200m over the next three years, reducing debt service obligations by two-thirds.

Nicaragua's debt to Paris Club member countries stood at $1.2bn at the end of 1997. Nicaragua hopes to obtain relief on a large part of the principal of its debt in 2000 under the highly-indebted poor country (HIPC) initiative, if it fulfils the International Monetary Fund's conditions in restructuring the economy. The country has external debt of about $6bn, equivalent to about three times gross domestic product. **James Wilson, Panama City**

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Gun makers seek export clarification

AOL ruled exempt in $30m lawsuit

Airbus defends industry's record on environment

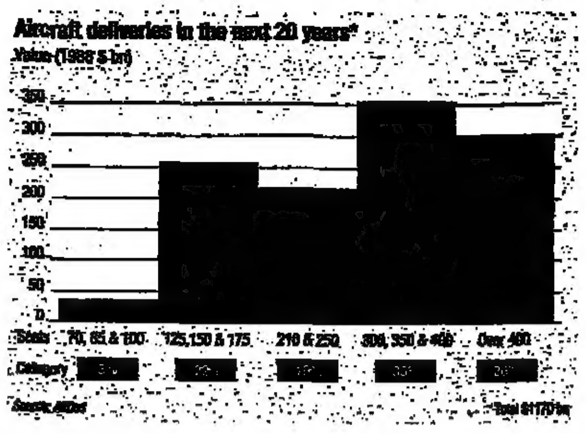
By Michael Skapinker, Aerospace Correspondent

Airbus Industrie, the European consortium, yesterday defended the aviation industry's environmental record, saying aircraft caused less pollution than cars and high-speed trains.

The claim came as Airbus forecast that the size of the world's aircraft fleet would almost double over the next 20 years and that the number of passengers flying would increase by 168 per cent.

Airbus expects the world's airline fleet to increase from 9,700 today to 17,900 by 2017. Airlines would buy 13,600 new and replacement aircraft over that period, valued at $1,200bn.

Adam Brown, Airbus vice-president for strategic planning, said airline travel worldwide now amounted to 2,800bn revenue passenger kilometres (RPKs) a year. RPKs are the number of paying passengers multiplied by the distance they fly. This level of traffic was the same as for every adult and child in the UK making a round-the-world trip every year, Mr Brown said.



Despite the increase in the number of flights, the aircraft industry had consistently reduced its fuel consumption and noise levels. "Many more people are exposed to noise from roads and railways. Despite the much higher speed, the latest aircraft also consume substantially less energy per passenger transported than the average mid-sized car."

It was true aircraft were the only source of man-made emissions in the upper atmosphere. Five Airbus A340s had been fitted with instruments to measure their environmental impact in more than 5,000 scheduled flights. This would allow scientists to determine the effect aircraft had on the upper atmosphere.

"So far, they've found no conclusive evidence that subsonic jetliner operations are having an adverse effect on the ozone layer."

Mr Brown accepted that a constraint on the industry was environmentalists' opposition to the building of new airport facilities.

Increasing congestion in the air and on the ground would mean manufacturers would have to build larger aircraft. Airbus planned to build a 600-seat aircraft, but this would not go into service before the year 2004.

The average number of seats on aircraft would increase from 179 today to 227 in 20 years. In the Asia-Pacific region, the average aircraft would have 320 seats, against 240 today. Some Asian regional and domestic traffic had slowed significantly, but he expected it to begin growing again by 2001.

Shipping lines see boom in Asian exports

By Jonathan Ford

Container shipping operators are reporting rapid growth in traffic from Asia as countries in the region take advantage of depreciated currencies to increase exports to the US and Europe.

Maersk, the Danish shipping group, said it carried 25 per cent more containers from Asia in the first quarter than in the same period last year. Overall, the growth in Asian cargoes to the US and Europe is estimated to have been some 12 per cent, year on year, since January.

However, this has not been matched by an increase in revenues for container operators because of imbalances between the volumes of trade shipped to and from east Asia.

While cargoes out of east Asia are growing rapidly, ships sailing the other way are struggling to find goods to carry. Container volumes on ships sailing to Asia are estimated to have fallen by more than 10 per cent.

This has caused a problem for container lines. Because the majority of their Pacific trade now comes from Asia to the US and Europe, they need to raise freight rates on those routes to offset the cost of running ships half full the other way. However, intense competition has made it difficult to raise rates.

This week, Sea-Land, the container division of US transportation group, CSX, reported a 63.4 per cent decline in first quarter operating income.

The company blamed trade imbalances on its Pacific trade, which had led it to report a 12 per cent decrease in Pacific revenues in spite of a 13 per cent increase in volumes.

Operators are redoubling their efforts to raise rates, according to Commonwealth Group, a New York based ship broker.

"There seems to be a hardening mood among container operators that they have to bring some pricing discipline to the industry," said Peter Schaerf at Commonwealth.

Container lines have recently pushed through one price increase. Freight rates on routes between Asia and Europe were raised by $100 a box on January 1.

"Those price increases have stuck very considerably," said P&O. Two more price increases are planned for later this year.

Operators are also planning to push through a controversial $300 per box increase in east bound rates between Asia and North America. This is set to come into effect on May 1.

However, analysts remain sceptical about the industry's ability to make price rises stick, largely because of continuing overcapacity in container shipping.

The container shipping fleet is expected to grow by around 12 per cent in tonnage terms this year. Last year it grew by 16 per cent.

Israel attacks Brussels over export 'blacklist'

By Judy Dempsey in Jerusalem

Israel yesterday sharply criticised the European Commission, claiming Brussels was drawing up a blacklist of goods originating in the occupied territories and exported by Israel.

The goods, which include agricultural produce, processed food, wine and flowers, allow Israel to take advantage of preferential treatment under a 1995 trade association agreement with the EU as Israel does not declare the origin of those goods.

The European Commission office in Tel Aviv would not comment about the blacklist. But EU diplomats said Israel had no right to export and gain preferential treatment for any goods from the occupied territories.

"How can we accept exports, for instance, from the Golan Heights and allow Israel to benefit from these trade advantages," said a diplomat. "The EU does not accept that the occupied territories are in the state of Israel," he added.

Israeli officials said the EU had previously turned a blind eye to its exports from the occupied territories. "If there is such a blacklist, it will constitute a violation of the economic Paris Protocol Israel signed with the Palestinians in 1994," said Victor Harel, deputy director general for economic affairs at Israel's foreign ministry.

Israel claims the protocol amounts to a customs union with the Palestinian Authority, allowing it to export goods from the occupied territories. EU diplomats said the "customs envelope" was not an exclusive arrangement since Palestinians had the right to trade with other partners.

Diplomats said they were considering a number of options to curb Israeli exports from the occupied territories. "No paper has been tabled but discussions are taking place," said a diplomat. One option would be to insist that Israel declare the "rules of origin" of its goods, a common practice for countries which have signed trade agreements with the EU.

Until recently, Israel said it could not provide, for security and legal reasons, customs documentation to verify the rules of origin of some of its exports.

When the EU discovered Israel was exporting three times more than its orange juice quota to Europe – some of the juice originated from Brazil – Israel at first denied it was flouting any rules. It quickly agreed to introduce transparency only after Brussels warned importers they would be liable to retroactive unpaid duties for handling goods breaching the rules of origin.

The EU is Israel's largest trading partner, with exports of $6.8bn last year.

US wants talks with EU to include farm issues

By Neil Buckley in Brussels

Any talks on a new bilateral trade agreement between the US and the European Union must "take into account" the sensitive areas of agricultural subsidies and audio-visual trade, a senior US official said yesterday.

David Aaron, under-secretary for international trade at the US commerce department, said Washington welcomed EU proposals for talks on a "New Transatlantic Marketplace". The plans, proposed by Sir Leon Brittan, trade commissioner, involve creation of an EU-US free trade area in services, and sweeping away industrial tariffs by 2010 – provided other countries follow suit.

But Mr Aaron suggested it might not be possible to exclude agriculture and audio-visual services from negotiations, as the European Commission proposes.

"We think that these two sectors need to be taken into account in some appropriate way," Mr Aaron said. "But I think it is not beyond the wit of man to be able to do that."

He hoped the US and Brussels could "define an area for exploration" in the talks before the EU-US summit in London on May 18.

Mr Aaron's comments may ring alarm bells in France, which has opposed the proposals – partly because it believes it will be impossible to keep agriculture and audio-visual services out of talks. It has also suggested the issue should not be on the agenda of next month's summit unless the EU has reached its own internal agreement on the initiative.

French president Jacques Chirac and prime minister Lionel Jospin have threatened to use their national veto to block the plan. EU ministers renew discussions on the issue in Luxembourg on Monday.

Mr Aaron was in Brussels for talks with Commission officials on electronic commerce, and to attend a working meeting of the Transatlantic Business Dialogue – the policy forum of senior EU and US executives – which was also expected to discuss the trade talks proposals.

While EU companies have expressed enthusiasm, the response from US business has been more muted, with some executives suggesting they were waiting for a lead from their national administration.

Despite French opposition, officials believe the EU will still be able to agree on the scope of talks with Washington. Some suggest the agriculture issue could be finessed through World Trade Organisation talks on farm subsidies and the EU's proposals on farm reform.

Southern African trade rules 'too complicated'

By Frances Williams in Geneva

World Trade Organisation members yesterday commended South Africa and its neighbours for pushing ahead with economic and trade liberalisation, but expressed concern about increasingly complex preferential trade arrangements in the region that could distort future trade.

A report by the WTO secretariat published yesterday said the Southern African Customs Union (Sacu), which groups South Africa, Botswana, Lesotho, Namibia and Swaziland, largely reflected South African economic interests – sometimes at the expense of the smaller countries.

Sacu is now being renegotiated, at the same time as the five countries are aiming for a free trade area in the larger South African Development Community. South Africa is also negotiating a free trade accord with the European Union while the four small Sacu countries benefit from EU trade preferences for developing nations.

"There is a risk that the evolution of this complex set of relations could create a structure of tariffs, preferences and rules of origin that could well lead to future trade distortion," the WTO warned.

The WTO secretariat also criticised Sacu's external tariff, determined by South Africa, which it said was extremely complex and changeable.

"A simplified, more stable tariff structure would increase the efficiency of Sacu's trade, enhance its ability to fulfil its multilateral obligations, facilitate the negotiation of new or expanded regional agreements and help Sacu members attract more foreign investment," the report said.

Alec Erwin, South Africa's trade and industry minister, told WTO members that recent changes had been part of a simplification of the tariff system to be completed by next year. However, the WTO report said the revised structure, though simpler, could lead to a higher effective rate of protection, and trading partners this week said the system remained complex and unstable.

Sacu members are trying to rebalance the accord under which South Africa distributes a certain proportion of the revenues from the external tariff, which averaged 15 per cent last year. The duty rates primarily reflect South Africa's policy priorities and industrial structure, the WTO report said.

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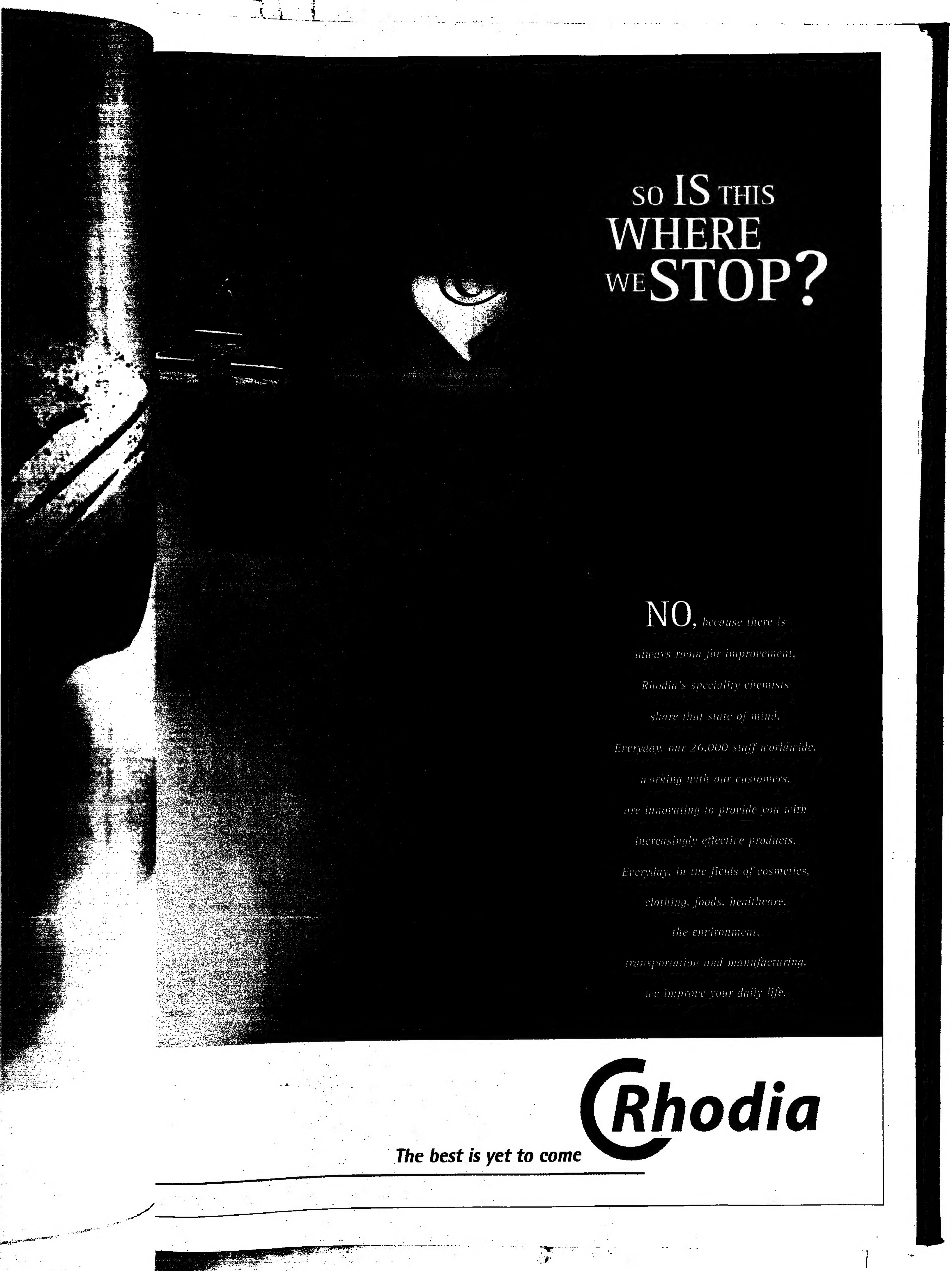


GM wins strong vote for three-year pay offer

By Haig Simonian, Motor Industry Correspondent

The Vauxhall offshoot of General Motors yesterday secured overwhelming support from its 9,000 workers for a radical three-year pay and productivity deal to guarantee carmaking at two big English factories well into the next century.

The vote lifts the threat of closure from the elderly Luton plant in southern England once production of the current Vectra ends in about three years. It follows similar wage and flexibility deals at the mainland European plants of Adam Opel, Vauxhall's German sister company, in recent months.

Nick Reilly, Vauxhall's chairman, said it was "a historic day for Vauxhall and an important one for British industry". He said the negotiations had been unprecedented for their speed and complexity.

Ian McAllister, chairman of Ford of Britain and head of the Society of Motor Manufacturers and Traders, the motor industry association, declined to say whether Ford or other carmakers might imitate Vauxhall's unprecedented introduction last week of a link in its wage deal between the value of sterling and the D-Mark. Mr McAllister said he was "not aware" of Ford having considered such a mechanism.

● The latest government figures show scant signs of a pay explosion, our Employment Correspondent writes. Average earnings grew by 4.5 per cent in the three months to February – unchanged from the previous month and down from last year's peak of 4.6 per cent in the three months to November.

Headline-catching pay rises have been secured in areas suffering from skills shortages – such as information technology and construction – but figures compiled by the Confederation of British Industry, the employers' organisation, fail to sustain the view that wages are out of control.

A CBI survey this week showed pay settlements in service sector companies averaged 4.1 per cent in the three months to March, compared with 4.4 per cent in the quarter to December.

Settlements in manufacturing companies, which are suffering from the effects of the strong pound on exports, fell to 3.7 per cent in the three months to March – down slightly from 3.8 per cent in the three months to December.

The latest official figures underline the pay gulf between the public and private sectors. Public sector earnings grew by just 2.4 per cent in the three months to the end of February, compared with a year earlier – while private-sector earnings grew 5.2 per cent over the same period.

NORTHERN IRELAND HEAD OF DECOMMISSIONING AIMS AT DISARMING PARAMILITARIES 'IN A WAY THAT DOESN'T SIGNIFY SURRENDER'

Weapons handover to bypass security forces

By Jimmy Burns in London

General John de Chastelain, the Canadian head of the independent body in charge of "decommissioning" paramilitary weapons in Northern Ireland, said yesterday that he had a "good idea" of what the Irish Republican Army's armoury consisted of "in both jurisdictions [the UK and the Irish Republic]".

He also conceded, in an interview with the Financial Times, that a prediction he made five months ago that the IRA would be handing in some of its arms by now had been mistaken. "I can't predict now when they will begin to do it, although I still hope and expect they will do it."

The general's main achievement so far has been in mapping out a structure for decommissioning, which, he claims, has the tacit consent of the paramilitaries and the backing of the political parties that signed the recent peace agreement.

He revealed yesterday that while he still had no direct contact with the IRA, he had met with intermediaries acting on its behalf in recent weeks. "My intention is still to bring about the complete decommissioning of paramilitaries and the destruction of their weaponry in a way that doesn't signify surrender."

The structure is in place and ready to be implemented by two "operational centres" – in Belfast and Dublin – essentially avoids any direct handover of weapons by the paramilitaries to the security forces. Instead the general and his team will be alerted by the paramilitaries to the location of arms dumps, and take charge of their handover.

Government legislation will be amended to guarantee that forensic examination of weapons handed over will not be used in evidence against suspect terrorists.

Yet security sources concede they have no foolproof list of the weaponry hidden in Ireland and on the UK mainland. The effectiveness of any arms handover will thus depend on the IRA's willingness to co-operate, not just on conventional weaponry, but on easily convertible commercial fertiliser used in the making of bombs.

In recent weeks republican sources have suggested that the IRA has indirectly kept the peace process on track by providing intelligence on bomb-making equipment in the hands of dissident elements.

General de Chastelain yesterday claimed not to be interested in such symbolic gestures, either now or in the future. "I want to get all the weaponry. To leave any of it untouched would risk a continuation of violence."

However, he believes the IRA has made a positive contribution to the peace process by sticking to its ceasefire and allowing Sinn Féin, its political wing, to remain at the talks up to and including the signing of the peace agreement. "I am confident that we can achieve decommissioning of all paramilitary arms within months of the implementation of an overall settlement," he said.

For all his unwavering optimism, however, General de Chastelain is aware that what constitutes an overall settlement is facing its severest test in the coming weeks. Following consultations with the Irish and British governments, he has agreed to keep his public comment to a minimum at least until the referendums are over. "Decommissioning is a sensitive issue," he says.

The text of the peace agreement commits participants, including Sinn Féin, to nothing more than to "work constructively and in good faith" with General de Chastelain's commission, "and to use any influence they may have to achieve the decommissioning of all paramilitary arms within two years following endorsement in referendums of the agreement and in the context of the implementation of the overall settlement."

Such vagueness may have avoided a Sinn Féin walk-out from the talks, but has it simply postponed a crisis on the unionist front? According to Robert McCartney, the member of the British parliament who leads the UK Unionist party, a small hardline grouping which has boycotted the peace talks, "anyone who believes that the IRA will give up a single gun until its final objectives have been attained is not of this world".

General John de Chastelain (centre) with his colleagues in the weapons decommissioing unit: Brigadier-Gen. Tauno Nieminen, Finland (left); and Ambassador Donald Johnston, US Paul McErlane

Two Protestants resign from parades commission

By John Murray Brown in Dublin

Two leading Protestant "loyalists" yesterday resigned from the Northern Ireland Parades Commission after Tony Blair, UK prime minister, intervened to stop publication of the commission's proposals for the coming summer's marching season in the region.

The commission is an independent body set up to defuse the tensions that surround parades by both sides of the sectarian divide through each other's communities.

After meeting other members of the commission yesterday Glen Barr and Tommy Cheevers announced they were leaving the seven-member body. Mr Barr was a leader of the 1974 Ulster Workers' Council that brought the British-ruled province to a standstill in protest at the Sunningdale agreement, which sought to share power between Catholics and Protestants. Mr Cheevers is a member of the fiercely Protestant Apprentice Boys organisation.

On Wednesday, Mr Blair asked Alistair Graham, the Parades Commission chairman, not to release its "preliminary view" on more than 12 disputed marches. It is believed to include a recommendation that the Portadown Protestant Orange order march from Drumcree church on July 5, which has been blocked by Catholics in the past, should be re-routed.

The Blair request indicates government determination not to jeopardise the chances of winning unionist backing for the referendum on May 22 to ratify the peace deal.

The Protestant Orange Order has declined to endorse the agreement and almost 30 per cent of the ruling council of the largest unionist party, the Ulster Unionists, opposes it.

Adam Ingram, the British minister responsible for Northern Ireland security, denied that Mr Blair had acted because of pressure from David Trimble, Ulster Unionist leader.

Brendan McKenna, spokesman for the nationalist Portadown residents, accused the prime minister of giving in to Protestant pressure. The Orange Order marches through nationalist streets in Portadown.

EDUCATION FALL IN HONG KONG FEE-PAYERS PROMPTS MOVE TO NEW MARKET

Top schools to recruit in China

By Simon Targett, Education Correspondent

Britain's top fee-paying private schools are to launch a recruitment campaign in China to compensate for a collapse of traditional markets in the wake of the Asian currency crisis.

The Hong Kong market, which has been the mainstay of private schools' international recruitment, shrank by a fifth last year, according to a survey published by the Independent Schools Information Service.

An official Chinese delegation is visiting Britain next month. Bob Acheson, chairman of the Incorporated Association of Preparatory Schools, who is co-ordinating the visit, said: "Shanghai could become the long term replacement to Hong Kong."

In the annual census of 1,300 schools, ISIS found the number of non-UK pupils entering British institutions fell from by 8,015 last year to 7,604 this year, a 5.1 per cent drop. The Hong Kong market was the largest single casualty of the Asia crisis.

David Woodhead, director of ISIS, said the fall was "a blip". But he added that British schools were starting to look to China as an alternative to Hong Kong and South East Asian countries. "China is a huge potential market," he said. "It has over 60,000 private schools, and the concept of paying fees is well established."

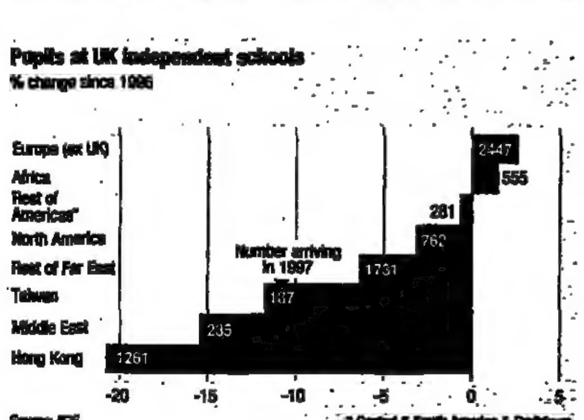
A British education trade fair in Beijing proved a success this year, with more than 30,000 visitors. Mr Woodhead said: "There is a growing business sector in China, and people are interested in buying an English boarding school education."

Education chiefs of Xhejiang province are visiting schools in Bristol, London, Oxford and Cambridge next month. Mr Acheson, who runs Clifton College's prep school in Bristol, expected the visit would help boost the number of Chinese pupils in British schools.

The census recorded that the number of fee-paying pupils rose by 1.6 per cent in the UK last year – from 469,439 to 476,860. Nursery schools enjoyed the biggest rise, 4.9 per cent, followed by primary schools and day schools. The number of boarding schools continued to fall, although the rate of decline, 2.4 per cent, was the second lowest recorded.

● Local business leaders should have a bigger say in decisions about excluding disruptive children from school, says the New Policy Institute, an independent think tank. It says executives could be leading members of new "exclusion panels" advising head teachers.

Pupils at UK independent schools
% change since 1996



Source: ISIS
* Central & South America & Caribbean

Quality of secret service praised

By David Buchan, Diplomatic Editor

Robin Cook, the foreign secretary, last night praised UK intelligence services for "responding to the fresh priorities" of the government of cracking down on terrorism, drugs, mass destruction weapons and financial crime.

In his traditional Mansion House speech in the City of London, Mr Cook paid tribute to the "range and quality of the output" of the Secret Intelligence Service, Britain's foreign spying arm, and GCHQ, its electronic monitoring agency.

During the recent confrontation with Iraq, the Foreign Office made clear that some of its knowledge about President Saddam Hussein's chemical and biological weapons came from UK intelligence as well as United Nations inspections.

If Mr Cook's openness about the SIS – which until a few years was not even admitted to exist – is not entirely new, his public praise of it, and of GCHQ, is. Mr Cook said that by combating drugs, crime and terrorism, the intelligence services were contributing to Britons' "quality of life" in a world where 90 per cent of the heroin on British streets originated in Afghanistan.

Mr Cook also lauded the intelligence agencies for helping protect "the integrity of our financial services sector from ... money launderers and fraudsters".

Accompanied by his new wife Gaynor, on her first official engagement, Mr Cook stressed to the dinner audience of businessmen and diplomats the Foreign Office priority in promoting UK economic interests. These interests had not been undermined by the government's parallel emphasis on human rights, he claimed.

NEWS DIGEST

GOVERNMENT FINANCE

Annual public spending round to be scrapped

The government is to scrap the annual public spending round and will announce firm departmental limits for the rest of the parliament in July. Tony Blair, prime minister, and Gordon Brown, chancellor of the exchequer, have decided that fixing departmental budgets for three years will maintain the tough discipline on spending and help long-term planning.

It will also dispense with the time-consuming annual negotiations between spending ministries and the Treasury. The three-year budgets, starting next April, will be hammered out as part of the government's comprehensive spending review. Mr Blair yesterday told the cabinet that theme of the review would be to provide "money for modernisation" in key areas. But he warned that the days of assuming that money was the answer to every problem were gone. Spending had to be attached to strategies, measurable outcomes and purpose, he said.

Under the previous government, fixed departmental spending totals were announced for the year ahead, with a further two years of projections.

These figures would then be adjusted during the annual spending rounds. Mr Brown wants the totals to be fixed for all three years and subject to change only in exceptional circumstances. **David Wighton, London**

CHANNEL TUNNEL FREIGHT

French dispute hits shipments

A dispute involving train drivers working for the French Railways, SNCF, last night halted freight shipments through the Channel tunnel between England and France. The disruption of tunnel rail freight services came within hours of the ending of a blockade by striking French seamen of the port of Calais which had led to long tailbacks of trucks on motorways on both sides of the English Channel. At least one trade union representing French train drivers is threatening to halt all train movements until Monday but possibly continuing until April 30. The UK government said it would lift a regulation restricting 44-tonne trucks to routes serving inland UK rail terminals. This will allow exporters to take their containers by road to UK east coast ports and then by sea to Zeebrugge in Belgium, avoiding the French rail network. Freight shipments by container or conventional rail wagons through the tunnel have suffered intermittent disruption since the middle of March but this has worsened in the past week and led to a complete shutdown yesterday. English Welsh & Scottish Railway, the Wisconsin Central offshoot which operates Channel tunnel long-distance freight services, said problems with French drivers at the Fréthun freight depot near Calais had worsened. This was leading to a build-up of freight wagons in England. **Charles Batchelor, London**

RAC MOTORING OPERATION

Potential bidders shortlisted

Twenty potential bidders from the UK and other countries have expressed an interest in acquiring the RAC's motoring operations, strengthening the likelihood of a sale rather than a stock-market offering. The RAC, best known for its roadside rescue operation, said it had shortlisted six as serious contenders. The AA, its larger UK rival, said it was "looking at the competitive situation", but it was keeping its options open.

The surprise decision last month by Jeffrey Rose, then the RAC chairman, to poll members on the possibility of splitting off the motoring services arm into a fully commercial business has put pressure on the RAC to act quickly, said Edmund King, campaigns manager. Mr Rose's action was not authorised by the board and he was subsequently sacked. **Charles Batchelor, London**

MATSUSHITA PLEA

Boost for engineer training

Matsushita Electric, the Japanese electronics and engineering company, yesterday launched a new scheme to train engineers in the UK. It has added £500,000 ($835,000) to a £1m trust fund it set up in 1984 to help the training of up to 70 UK engineers a year.

Sunzo Ushimaru, the managing director of Panasonic UK, Matsushita's UK sales arm, called for other private sector groups to provide similar schemes which could help with the worldwide shortages of engineers especially in jobs such as computing. **Peter Marsh, London**

ASIAN-LINKED DANCE MUSIC

Record label in export deal

Outcaste Records, one of the growing number of independent UK record labels specialising in Asian-influenced dance music, has clinched an international distribution deal with Tommy Boy, the US hip-hop label. Until now, the three year-old Outcaste, which represents artists including Shri and Nitin Sawhney, has exported directly to other countries.

Asian dance music has become increasingly popular in the UK, culminating in Cornershop's chart-topping single, *Brimful Of Asha*, thereby fuelling interest from foreign record companies. Tommy Boy, which numbers Coolio, De La Soul and Naught By Nature among its acts, will now distribute Outcaste's releases in the US, and channel them through partners in other countries. **Alice Rawsthorn, London**

Global model seen as the shape of accountancy success

New member of the 'Big Six' elite stresses the importance of international integration for his firm, **Jim Kelly** reports

As clubs go it is certainly exclusive. The senior partners of the Big Six accountancy firms in the UK talk often, dine regularly, and agree that they never, ever, operate as a cartel. New members are rare but yesterday saw the elevation of Mike Rake, chief operating officer of KPMG, to this unusual elite.

Colin Sharman, the senior partner who led the firm into its ill-fated merger talks with Ernst & Young, is giving up the job two years early to concentrate on welding together KPMG's international federation into a global firm.

The merger of Price Waterhouse and Coopers & Lybrand and the failed merger of KPMG and E&Y – and indeed the looming demerger of Arthur Andersen and Andersen Consulting – all point to a realisation at senior levels that success, or even survival, lies at the global level. All are seeking the right position alongside globalising clients.

Integration is seen as the key to providing the services these clients want. KPMG is particularly handicapped in this respect as it is seen as having a federal structure.

Mr Rake insists the merger talks showed it is a "strong federation" not a "loose federation" – but a federation nonetheless. He admits that they need to be "an integrated global firm". Mr Rake is an enthusiastic supporter of international integration, who has worked for long periods in Brussels, Luxembourg and the Middle East.

His support will be crucial to Mr Sharman, who has the job of creating a global organisation and working out how it should be funded and how partners should share economic interest across borders – a tricky problem as audit firms by law have to have some measure of national identity and control.

Mr Rake looks like a natural ally. He had the job in the UK of controlling the merger talks with E&Y and is widely seen as having done a surprisingly good job in the circumstances. He worked closely with Nick Land, senior partner at E&Y, and both speak well of each other in spite of the rather messy collapse of the deal.

Now KPMG must build a global firm alone. If KPMG wants a global future Mr Rake clearly thinks partners will have to pay for it. Investment costs money and Mr Rake says, carefully, that it is "not inconceivable" that partner profits will drop.

Mr Rake's appointment – backed by the overwhelming majority of partners – clears the way for the integration of the UK firm. A new board of 18 will be formed late this year and an executive of seven, with an average age of 45, will run the firm.

Mr Rake, like Mr Sharman, believes KPMG's ground-breaking decision to publish "plc-style" results gives the organisation an advantage. Mr Rake has one five-year term and a further possibility of a three-year second term to drive through domestic integration and help build the global firm. The prize is a bigger share of the burgeoning market for business advice.

The firm's target of £1bn ($1.67bn) in revenue by 2000 is "easily within reach". Management consultancy revenues are said to be growing at 46 per cent – with the target of tripling market share. Like the rest, Mr Rake wants to push the value of corporate finance deals his teams can take on towards the £50m-£100m bracket. Tax advice expansion is another target.

Competitors will note the missing word here – audit. There is no question that Mr Rake values the firm's audit practice, but the past few years have seen KPMG quietly dropping its almost feverish campaign to establish its brand as the UK's top auditor.

Mike Rake: target of £1bn in revenue by 2000 "easily within reach"

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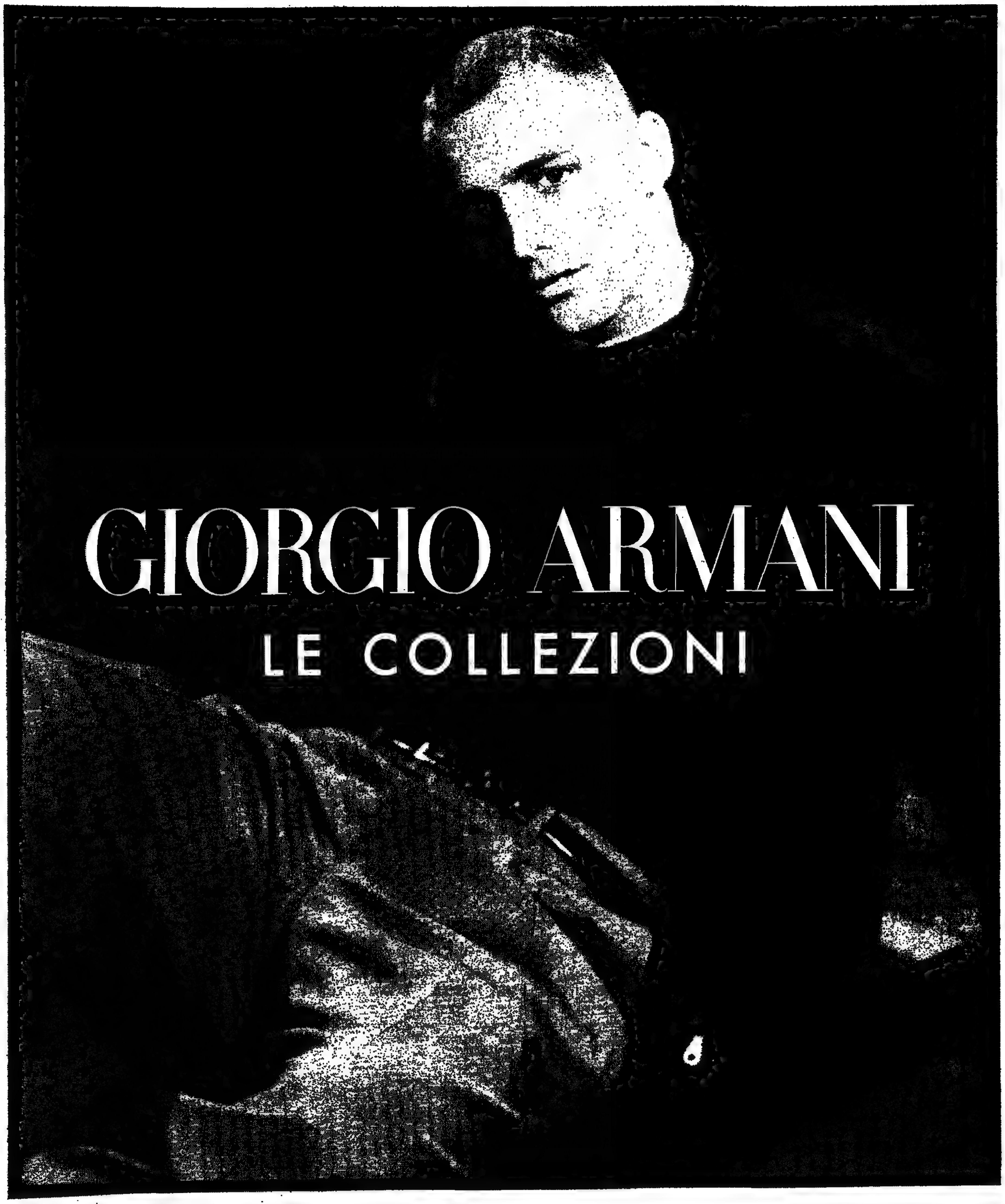

BREITLING
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THE PREMIER CHRONOGRAPH

PREMIER: a vocation

BREITLING considers that it is not enough to have invented the first wrist chronograph (a feat achieved in 1914) and the first independent chronograph pushpiece (1923); or to have been the first to introduce the second chronograph pushpiece (1932), the navigation computer in the form of a circular slide rule on a rotating bezel (1952), or more recently the EMERGENCY, the first personal instrument equipped with a microtransmitter. In addition to such breakthroughs, the company is also committed to maintaining its determination to place increasingly sturdy and precise timekeepers on the wrists of the most demanding individuals.

Now fitted with the sophisticated caliber 40, the latest version of the PREMIER chronograph displays short time lapses using 10-minute and 3-hour counters, offering excellent readability even in conditions involving intense movement or considerable vibration.

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Selfwinding movement with 42-hour power reserve. Waterresistant to 30 meters. Steel or 18K rose gold case with black or silvered dial. Available on all types of BREITLING leather strap, or on the NAVITIMER bracelet.

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For BREITLING today, its ongoing links with aviation are as vital as ever, as demonstrated by the daily performance of its wrist instruments in civilian and military cockpits around the world, or its participation in the last remaining airborne adventure.

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INTERNATIONAL Arts Guide

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PHOTOGRAPHY THE RIOTS OF '68

A year of living dangerously

Andrew Jack relives that turbulent time courtesy of the Magnum picture agency

1968: Magnum Throughout The World could not have chosen a better site to show off 88 of its best photos from the turbulent year of 1968 than the chapel of the Sorbonne, the university at the heart of the student troubles of May in Paris.

In one photo which captures the mood and the contradictions of the time, a grim-faced student smartly-dressed in suit and tie keeps guard on the "people's university", sitting at the graffiti-clad entrance to the Sorbonne between two pillars, one adorned with a poster of Lenin and the other with that of Mao.

Inside the chapel, obscuring the solid architecture and religious friezes from a different era, the images taken by Magnum's photographers are presented on simple, rough-hewn wood which gives the exhibition the feeling that it could have been erected by students fresh off the barricades.

Rioting students are shown juxtaposed against the backdrop of chic boulevards

The world has changed, of course. You pay to get in, albeit a relatively democratic Ffr30 compared with some of Paris' exhibitions. Next to the till, in a self-conscious little twist, a notice usurps one of the most famous slogans of the period: "il est interdit d'interdire." If it is still forbidden to forbid, smoking and touching the photos are now ruled out as well.

So how do the radicals of the 1990s view such diktats? They obey meekly and keep a respectful distance from the photos. And they do so in their hundreds. There were long queues to get into the exhibition, including many greying *soixante-huitards* who shuffled around in single file slowly and reverentially as though part of a group of *apparatchiks* paying their sincerest last respects to Lenin in his tomb.

Certainly there are photos capturing the earnest student discussions in smoke-filled halls, as one would expect in an exhibition covering the events in Paris of 1968. There is a youthful Daniel Cohn-Bendit, the anarchist instigator famously expelled from France and now reconverted to some rather mainstream and commonsense views while guarding his electrifying personality.

And there are mischievous photos juxtaposing rioting students in action, clubs and stones in hands, against the backdrop of the chic Boulevard Saint-Germain and a traffic light futilely warning pedestrians to wait before crossing.

But one of the strengths of the Magnum exhibition is that it does not focus simply on the violent images of the time. There are photos of the more conservative backlash, including a huge, extremely ordered demonstration in support of General de Gaulle on the Champs Elysées at the end of May.

And the mystification of traditional France for what had happened, illustrated by Henri Cartier-Bresson's image of a bemused middle-aged couple surveying the damage, the moustachioed, beret-wearing husband calmly holding his wife's handbag while she, in horn-rimmed glasses, balances on an uprooted tree to take a picture with her box camera.

There is also many a reminder that more serious events were taking place elsewhere around the world in 1968 outside France. Not just the anti-Vietnam protests in the US and UK, but the civil rights movement, the assassination of Martin Luther King (with wonderful shots of dignified mourners around his grave), and of Robert Kennedy.

Or student protests in the non-western world, including a group of Japanese radicals, still maintaining a certain degree of conformity as they stand at a rally, all wearing the same helmets. And above all in eastern Europe, were the threat to lives and systems was greater by far.

Then there are pictures of the Vietnam war itself, including an extraordinary image by Don McCullin of a shell-shocked soldier waiting to be evacuated, his distracted face a powerful testament to the psychological consequences on the young men who fought there.

There are also reminders that the reactionaries won the day – at least in the short-term – as an insightful and delicious shot by Raymond Depardon shows, with Richard Nixon already savouring his imminent victory at the end of the year as he comes out of an aeroplane at Sioux City with his arms raised high. Even the pilot is sneaking a photo of the soon-to-be president out of his cockpit.

But the exhibition also serves to illustrate that 1968 was at least as much about the personal as the political. As Pierre Viansson-Ponte wrote in an article in *Le Monde* in March 1968, reproduced in the exhibition and the guide that accompanies it: "The characteristic feature of public life in France at present is boredom".

The tensions between the wartime generation and their baby-boom offspring – in values, dress, tastes – are perhaps best captured by Cartier-Bresson, who shows a smartly-dressed Figaro-reading middle-aged woman on the terrace of the Brasserie Lipp glancing across with a mixture of disapproval and incomprehension at the mini-skirted Monde-reading girl at the next table. It is so good that you are tempted to think it must have been set up.

Sitting a little uncomfortably with the pictures in the exhibition is a 20 minute audio presentation from the period, when underground versions of what would become the daily left-wing paper, *Libération*, not to mention Europe 1 and other news radio stations, were stealing a march on more traditional media.

Examples of these rivals would have been welcome. But that might have drawn attention away from the other star of the show: Magnum itself. For the exhibition is a tribute to the agency, created in 1947 as a cooperative, which has housed some of the most remarkable of post-war current affairs photographers. One of these was the Frenchman Marc Riboud, who captured one of the strongest images of the era: the peace protestor clutching a flower, in front of the bayonets of the National Guard in Washington.

"1968, Magnum throughout the World", 35-37 rue de Seine, 75006 Paris. Catalogue FFr298, Hazan Editions.

Under far greater threat in eastern Europe: students demonstrating in Prague

Laughter in the dark

THEATRE

ALASTAIR MACAULAY

The Real Inspector Hound
Black Comedy
Comedy Theatre, London SW1

Have you ever seen Tom Stoppard's *The Real Inspector Hound* or Peter Shaffer's *Black Comedy*? If the answer is no, then you should now. If yes, you will surely now want to see them again. These two classic comedies from the 1960s are revived too seldom nowadays, but, in their early days, they seemed to sweep the English-speaking world. In each of them, a young playwright took the very medium of conventional theatrical illusion, twisted it with breathtaking effect, and spun it into purest comic confectionery. Yet each also contains its own serious reality, its element of private human pain and fantasy.

All hail therefore to whichever genius has thought of putting them together for the first time in a double bill, with eight actors all appearing in either play. Shaffer's *Black Comedy* (1965), the more uproarious, comes second, and has the audience laughing from its first few moments. Most of the action occurs during a blackout that results from a mains fuse; Shaffer's ingenious idea is to reverse the lighting so that we cannot see a thing while the stage characters can; and when the lights go out, we see, by bright light, how everyone onstage fumbles around "in the dark".

From this basis, Shaffer builds a farce of such visual and verbal intricacy – which character has entered or left the room? Which characters must be kept in the dark for as long as possible? Which characters have been keeping other characters in the dark? – that the mounting horror of what is going on (which we see only too well) grows ever more thrillingly funny. This is Shaffer's lightest, fastest, and finest play.

Greg Doran, who directs both plays, is particularly good here. David Tennant is outstanding as the artist Brindsley, whose sexual history and whose present panic grow steadily more complex as the play develops. He has just the right degree of helpless charm, spontaneous bisexual allure, impulsiveness, and alarm. And his nervous energy is a keen motor force to the comedy.

Nichola McAuliffe, although she at first over-caricatures her role as the prim spinster Miss Furnival, takes the play splendidly to both its absurd and its pathetic extremes. As their camp neighbour Harold, Desmond Barrit misses either extreme, but he brings comic weight to a delicious role. Gary Waldhorn, Nicholas Rowe, and Geoffrey Freshwater lend excellent support.

It is lovely, in both plays, to see Sara Crowe stretching herself beyond the artificially vapid ingenue she has played too many times. As Brindsley's dangerous ex-mistress Clea, and in the dissimilar theatrical absurdities of *Hound*, she is a lively comic resource, with lovely dashes of malice. Anna Chancellor, by contrast, applies the same unspontaneous classy-blasée *Ab. Fab.* acting to both her roles; as Carol in *Black Comedy*, this is obviously wrong and only initially amusing.

The Real Inspector Hound (1968), although less side-splitting, leaves a yet more marvellous impression in the mind. This is the play where two critics, watching and commenting on a *Mousetrap*-like whodunnit from their seats in the front row, find that they recognise the first corpse onstage as one of their own number, find that the stage illusion is a vortex in which they themselves are absorbed, find too late that, while onstage, they themselves become real corpses.

Even when we stop laughing, we are kept breathless

The vortex is so brilliantly conceived that we are always blissfully entertained. But, while beguiled, we are also bewildered: and here is the play's larger beauty. All it takes for Stoppard to perplex us is the tiny but surreal stroke of a telephone onstage that is left to ring too long. So that Birdboot, one of the two critics, steps over the footlights to answer it. Suddenly everybody onstage behaves as if he was just another character. His fellow-critic, Moon, tries to recall him, but in vain. What is real, and what illusion? What can be controlled, and when should control be forgotten? Serious questions, comically presented.

And through it all are the existential questions of the other critic, Moon, the second-stringer whose whole destiny depends on that of the first-string critic and in turn determines that of the third-string critic. Or so it seems right up to the ending, when Stoppard reverses all three destinies. The pack of dominoes that had been collapsing one way is suddenly pushed the other way: hey presto! Abracadabra!

Even when we stop laughing, we are kept breathless. Stoppard has said, rightly, that this play is about nothing but itself; and, in that sense, he proves himself a truly classical artist.

Classic: David Tennant, Sara Crowe and Desmond Barrit in 'Black Comedy', Peter Shaffer's lightest, fastest and finest play

Alastair Muir

POP REVIEW OF 'WALKING INTO CLARKSDALE' AND 'EDERLEZI'

Grand old seventies sound updated

Not so long ago, it was hard to imagine that the protagonists of that archetypally stentorian rock band, Led Zeppelin, could quietly slip back into musical fashion. While Jimmy Page and Robert Plant's *Walking Into Clarksdale* (Mercury) is not exactly at the cutting edge, neither does it sound like the disastrous anachronism one might have feared.

That is only partly due to the cyclical nature of pop culture fads. It is to Page and Plant's credit that they have made their peace with the 1990s, most obviously in their choice of producer Steve Albini (Nirvana, P.J. Harvey), but also in an intriguing mix of influences, which has added much-needed spice to a rather basic stew.

Albini does a skilful job in updating that grand old sound of the 1970s, without traducing it entirely. Indeed from the opening "Shining in the Light" – acoustic guitars pushed well forward in the style of the later Zeppelin, mellow thumps on the bass drum, the gentle meandering of an inconsequential melody – we could be back in the old days.

One need look no further than the current single, and by some way the album's stand-out track, "Most High", to find a more contemporary edge, however: Page's guitar thrashings and Plant's urgent vocals are embellished with frenzied arabesques and an absorbing crescendo of noise. I saw Page and Plant perform the song in the incongruous context of this year's Sanremo Song Festival in Italy, and they were clearly having a terrific time, striking up all the old poses.

Perhaps this rekindled enthusiasm is the most admirable aspect of *Walking Into Clarksdale*. Truth to tell, the album trails off disappointingly after this high point. Much has been made of Plant's Silk Route sabbatical and Page's trip to northern Brazil, but I would have liked to hear some more vibrant results from their sojourns.

Something, for instance, like the tasteful exoticism of Goran Bregovic's *Ederlezi* (Mercury), a fine collection of the Serbian Croat composer's film themes. The most familiar of these come from Bregovic's collaborations with Emir Kusturica, *Le Temps des Gitans* and *Underground*.

Bregovic, who performs his first UK concert at London's Royal Festival Hall on May 2, is a master of weaving musical styles – Bulgarian polyphony, Balkan folk motifs, brass bands – and giving them a veneer of enviable hipness: there are cameos of variable worth from Iggy Pop, Scott Walker, Johnny Depp and the wonderful Ofra Haza.

Peter Aspden

INTERNATIONAL

Arts Guide

AMSTERDAM

OPERA
Netherlands Opera, Het Muziektheater
Tel: 31-20-551 8911
Wozzeck: by Berg. Wim Trompert directs a revival of Willy Decker's 1994 production, with designs by Wolfgang Gussman. With the *Netherlands Philharmonic* conducted by Hartmut Haenchen; Apr 24, 26, 28

BERLIN

CONCERTS
Philharmonie
Tel: 49-30-2548 8354
Berlin Philharmonic Orchestra: conducted by Claudio Abbado in works by Mozart, Rihm, Brahms and Schumann; Apr 25, 26, 27

OPERA
Deutsche Oper
Tel: 49-30-34384-01
● Der Prinz von Homburg: by Henze. Conducted by Christian Thielemann in a staging by Götz Friedrich; Apr 24
● Lohengrin: by Wagner. Revival of a production conducted by Christian Thielemann and staged by Götz Friedrich; Apr 26, 30

BOLOGNA

OPERA
Teatro Comunale
Tel: 39-51-529 999
www.nettuno.it/bo/teatrocomunale
Don Pasquale: by Donizetti. La Scala production conducted by Maurizio Benini/Roberto Polastri in a staging by Stefano Vizioli. Cast includes Ruggero Raimondi; Apr 28, 30

CHICAGO

CONCERTS
Orchestra Hall
Tel: 1-312-294-3000
www.chicagosymphony.org
● Chicago Symphony Orchestra: American premiere of Carter's Clarinet Concerto, conducted by Pierre Boulez with clarinet soloist John Bruce Yeh. The programme is completed by Mahler's Symphony No. 1 in D Major; Apr 24, 25, 26, 28
● Chicago Symphony Orchestra: conducted by Pierre Boulez in works by Ravel, Ligeti, Messiaen and Roussel. With piano soloist Pierre-Laurent Aimard; Apr 30

EDINBURGH

EXHIBITION
Scottish National Gallery of Modern Art
Tel: 44-131-624 6200
Sacred and Profane: Calum Colvin. Display of 10 specially-commissioned photographic works by one of Scotland's leading contemporary artists; from tomorrow until Jun 28

FLORENCE

OPERA
Maggio Musicale Fiorentino
Tel: 39-55-211158
www.maggiofiorentino.com
The Lady Macbeth of the Mtsensk District: by Shostakovich. New production by Lev Dodin, conducted by Semyon Bychkov; Teatro Comunale; Apr 24, 26, 29

FRANKFURT

CONCERTS
Frankfurt Oper
Tel: 49-69-21202
Warsaw Radio Symphony Orchestra: conducted by Wojciech Rajski in works by Beethoven and Dvorák. With piano soloist Olli Mustonen; Apr 26

LISBON

CONCERT
100 Days Festival, Expo '98
Vienna Symphony Orchestra: conducted by Fedoseev in a programme tba; Coliseu; Apr 27

LONDON

CONCERTS
Barbican Hall
Tel: 44-171-638 8891
London Symphony Orchestra: conducted by Michael Tilson Thomas in works by Bernstein, Mahler and Copland; Apr 29

Royal Festival Hall
Tel: 44-171-960 4242
● Orchestre de Paris: Frans Brüggen conducts works by Haydn and Mozart. With cello soloist Truls Mork; Apr 26
● Philharmonia Orchestra: Mozart Piano Concerto Cycle. The first of two concerts given by András Schiff features Piano Concerto Nos. 22, 23 and 24; Apr 26
● The Royal Opera: Parsifal, by Wagner. Concert performance, conducted by Bernard Haitink. The title role is sung by Plácido Domingo; Apr 28
● London Philharmonic Orchestra: conducted by Mark Wigglesworth in works by Debussy, Beethoven and Sibelius. With piano soloist Lars Vogt; Apr 29
● Philharmonia Orchestra: Mozart Piano Concerto Cycle. The second of two concerts given by András Schiff features Piano Concertos Nos. 25, 26 and 27; Apr 30

EXHIBITIONS
Barbican Art Gallery
Tel: 44-171-638 8891
● Shaker: The Art of Craftsmanship. Furniture and decorative arts from the Shaker community at Mount Lebanon; ends on Sunday
● The Art of the Harley: 30 customised motorcycles provide the centrepiece of this display devoted to the 95 year history of the Harley-Davidson company; ends on Sunday

LOS ANGELES

OPERA
L.A. Opera, Dorothy Chandler Pavilion
Tel: 1-213-972 8001
www.laopera.org
Il Trovatore: by Verdi. Conducted by Gabriele Ferro in a staging by Stephen Lawless. Cast includes Vladimir Bogachov; Apr 25, 29

MUNICH

CONCERTS
Philharmonie Gasteig
Tel: 49-89-5481 8181
● Königlich Flämische Philharmonie: conducted by Mu Hai Tang in works by Mozart, Brahms and Tchaikovsky. Apr 25
● Moscow State Symphony Orchestra: conducted by Pavel Kogan in works by Rachmaninov and Tchaikovsky. With piano soloist Nikolai Petrov; Apr 26
● Munich Philharmonic Orchestra: conducted by Bernard Klee in a programme including works by Debussy and Schoenberg. With soloists including soprano Hildegard Behrens; Apr 27, 28

NEW YORK

OPERA
New York City Opera, New York State Theater
Tel: 1-212-870 5570
www.nycopera.com
Paul Bunyan: by Britten. New production directed by Mark Lamos. Apr 25

EXHIBITION
New-York Historical Society
Landmarks of New York. A selection of photographs by Barbaralee Diamonstein. Until July 7

PARIS

CONCERTS
Salle Pleyel
Tel: 33-1-4561 6589
Orchestre de Paris: conducted by Kurt Sanderling in works by Mozart and Bruckner. With violin soloist Tedi Papavrami; Apr 29, 30

Théâtre des Champs Elysées
Tel: 33-1-49525050
● Vienna Philharmonic Orchestra: conducted by Zubin Mehta in works by Weber, Mozart and Mahler. With oboe soloist Martin Gabriel; Apr 24
● Cecilia Bartoli: recital, with the Orchestre National de France conducted by Charles Dutoit, in works by Rossini and Ravel; Apr 25

ROME

OPERA
Teatro dell' Opera
Tel: 39-6-481601
www.themix.it
Parsifal: by Wagner. Bernard Haitink conducts the Covent Garden production, the cast includes Placido Domingo; Apr 26

ROTTERDAM

EXHIBITION
Kunsthal
Tel: 31-10-440 0300
Roger Ballen: This Africa. Works representing South Africa's white rural poor, by the American photographer (b.1950); from tomorrow until Jun 21

SAN FRANCISCO

CONCERTS
Davies Symphony Hall
Tel: 1-415-864 6000
www.sfsymphony.org
San Francisco Symphony Orchestra: conducted by Hugo Wolff in works by Mozart and Schumann. With piano soloist Alicia da Larrocha; Apr 24, 25, 26

TOKYO

CONCERTS
Bunkamura
Tel: 81-3-3477 9999
New Japan Philharmonic: conducted by Rostropovich in works by Shostakovich. With piano soloist Constantin Lifschitz; Orchard Hall; Apr 24

TV AND RADIO

● **WORLD SERVICE**
BBC World Service radio for Europe can be received in western Europe on medium wave 648 kHZ (463m)

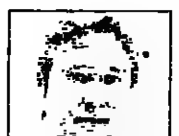
EUROPEAN CABLE AND SATELLITE BUSINESS TV

● **CNN International**
Monday to Friday, GMT:

06.30: *Moneyline with Lou Dobbs*
13.30: *Business Asia*
19.30: *World Business Today*
22.00: *World Business Today Update*

● **Business/Market Reports:**
05:07; 06:07; 07:07; 08:20; 09:20; 10:20; 11:20; 11:32; 12:20; 13:20; 14:20.

At 08:20 Tanya Beckett of FTTV reports live from LIFFE as the London market opens.



PHILIP STEPHENS

Uncommon ground

The EU wants to appoint someone to develop common foreign policy, but will national pride and history get in the way?

The European Union is searching for a Mr (or Ms) Foreign Policy. The post has not yet been advertised. But screen out the shouting match between France and the Netherlands over who should head the Union's new central bank and you can just hear the gentle rustle of hats being tossed into the ring. It sounds like a plum job. And it would be if Europe ever had such a thing as a foreign policy.

Much has been made this week of Tony Blair's efforts to mediate in what is called the Middle East peace process. Fresh from his negotiating triumph in Northern Ireland, Mr Blair travelled to Israel and the Palestinian territories. Benjamin Netanyahu and Yassir Arafat duly accepted an invitation to a London conference next month.

Mr Blair, some said, had brought his healing magic to the Israeli-Palestinian conflict. More than that, as current president of the EU he had reasserted Europe's role in promoting a settlement. After the falling out between Britain and France over Iraq, Europe could re-establish a common position on the Middle East.

Things, of course, were not quite as they seemed. It quickly emerged that the London conference had been Washington's idea all along. Madeleine Albright, the US secretary of state, will in effect chair the proceedings. Mr Blair sensibly cast himself as honest broker in a process that the US will lead.

Policy then is still made in Washington. Mr Blair can provide the table and chairs. He can offer his skills as a conciliator. But the US calls the shots. As one senior American has remarked: "We welcome Europe's involvement – just so long as it doesn't interfere."

It is not that the EU does not have a policy. In fact it has a rather good one much more even-handed than that pursued by Washington. It is based on support for United Nations resolutions and for the Oslo accords signed by the Israelis and Palestinians in 1993. Robin Cook, Britain's foreign secretary, set out the parameters during his visit to Israel last month.

In particular, he reminded Mr Netanyahu about his country's promise to return occupied territory to the Palestinians. Settlements in these territories, including annexed East Jerusalem, are illegal. For his pains, the foreign secretary was snubbed by his host and vilified by some as an anti-Semite. Mr Netanyahu has no intention of keeping faith with Oslo or of allowing European intervention. Much better to deal with a US administration obliged to keep a wary eye on the pro-Israel lobby in Congress.

So the EU remains a bystander, its role confined to pouring hundreds of millions of pounds into the West Bank and Gaza to make life slightly less intolerable for the Palestinians.

There is no surprise there. The Union's grandiloquently-named common foreign and security policy has never aspired to much. Europe's place is to frame solemn declarations, lodge protests, issues statements.

Surf its internet site and you will find sheafs of documents issued in the name of a joint foreign policy. Only this week the 15 denounced Nigeria's rigging of presidential elections. Go back a week or so and they were welcoming Estonia's commitment to abolition of the death penalty and lamenting Burma's attacks on Karen refugees in Thailand.

True, the Union has also shaped a more imaginative policy towards Iran (where it provides a welcome counterweight to the US). And it has framed a more realistic (or cynical, depending on your standpoint) approach to human rights abuses in China. It has also applied pressure on Serbia to respect the rights of the Albanian majority in Kosovo.

By and large, though, these are words without political will. Present the Union with hard decisions and it splinters or retreats. Thus Britain and France slogged it out during the crisis over Saddam Hussein's refusal to allow UN weapons inspections. Hence the reluctance to mediate between Turkey and Greece in the Aegean, and the abysmal failure six years ago to halt the slide of the former Yugoslavia into bloody civil war. The hubris which led Jacques Poos, Luxembourg's foreign minister, to declare in that dark summer of 1991 that Europe's moment had come, should be engraved on the continent's collective memory.

Here we come back to the idea of Mr (or Ms) Foreign Policy. The theory is that such an appointment would provide the institutional focus needed to develop common positions. It would also answer Henry Kissinger's famous jibe about there being no one to phone when the US wants to speak to Europe.

Among the names already mentioned for the job are Sweden's Carl Bildt, Uffe Elleman-Jensen of Denmark and Joachim Bitterlich, Helmut Kohl's foreign policy adviser. France and Britain also intend to put up candidates.

It is not a bad idea. And like the creation of a new policy planning and early warning unit in Brussels it may add a shade more coherence to the process of co-ordination. But no one should believe that institutional tinkering is a substitute for the political will needed if the Union is to make common cause in foreign affairs.

Some say it will never happen. Foreign and defence policy are the last bastion of the nation state. Governments that have long ago come to terms with the global marketplace's deep incursions into national economic sovereignty cannot own up to their interdependence in matters of European security. Joint projection of the Union's economic power is fine. But on the political level, pride, history and geography militate against anything more than declaratory diplomacy.

Thus Britain and France will never give up their seats on the UN security council to a Euro representative. Italy will always have a different view from its northern partners of Colonel Gadaffi's Libya. Greece will never surrender its national interests in Cyprus to a common position. And so on.

More than that, neither Britain nor France – the essential fulcrum for any serious European policy – are ready to compromise on their attitudes towards Washington. The British instinct is to cosy up to the US, the French Gaullist reflex to see the Atlantic alliance as a tool of American imperialism.

So perhaps we should simply shrug our shoulders and wish the successful candidate luck in making the best of a bad job. After all, the EU's commitment to eastern enlargement shows that, as long it is called something else, the Union can sometimes stumble into a common foreign policy. But am I alone, I wonder, in thinking it curious that a group of nations willing to pool its prosperity in a single currency has neither the wit nor wisdom to act together to preserve the security of its citizens?

LETTERS TO THE EDITOR

A more effective way to reduce debt-income ratio

From Prof Franco Modigliani and Mr Giorgio La Malfa.

Sir, Italy and Belgium should reject, politely but firmly, the pressure to undertake new commitments on fiscal matters and in particular a commitment to generate "considerable government surpluses each year for a prolonged period", in order to reduce rapidly the debt-income ratio, as indicated by the Bundesbank in its recent Opinion concerning convergence in the European Union.

This rejection is appropriate for many reasons:

● Of the convergence criteria established at Maastricht, the requirement that the debt-income ratio should be no more than 60 per cent is largely devoid of economic logic. As far as one can tell, the only justification for that particular number is that it roughly coincided with the ratio then prevailing in Germany and France.

It was obvious from the very beginning that Italy, with a ratio of around 125 per cent, or Belgium, could not conceivably achieve that target on time. Yet Italy accepted it when it was explicitly agreed that a country could qualify for entry even if it failed the 60 per cent criterion, provided the ratio had a declining trend. The European Commission has certified that Italy satisfies this requirement. To impose additional requirements now represents a totally unjustified change of the rules of the game.

● Equally unfounded is the argument that a debt ratio above 60 per cent might make a country more prone to financial crises. There is no evidence of an empirical association between the presence of a debt higher than the magic 60 per cent and the frequency or intensity of financial crises.

There are numerous examples of countries with public debt substantially higher than that, in which financial crises have not been more common than average, for example Belgium, the US and especially the UK.

● A large debt can be a source of many problems, such as a heavy interest load, but they fall on the country that inherited the debt, not on other members of the EU. It should be entirely up to the country to decide if it is appropriate to raise taxes and reduce the debt service in order to indemnify future generations for damages inflicted by earlier ones.

● The economic rationale for limiting public deficits is that by reducing national saving they reduce the sources for financing investments. But then the appropriate measure of the contribution of a country to the collective capacity to invest is not its deficit but its national saving rate. Italy is one of the high-saving countries in the EU. There is therefore no ground for singling Italy out for further cuts in consumption.

● As is well known, a budget surplus has a deflationary effect unless it is accompanied by a monetary expansion generating enough additional investment to absorb the extra saving. Given the prevailing restrictive character of monetary policy in Europe, achieving larger surpluses in Belgium and Italy would have further deflationary effects with negative repercussions on unemployment in the EU as a whole.

● The financial health of an institution, whether public or private, cannot be inferred from its outstanding debt but only from its net worth. In the case of Italy, estimates performed a few years back by a specially appointed blue-ribbon committee (the Cassese Committee), updated and extended in a recent book by Franco Modigliani and Fiorella Padoa Schioppa, have established that the public sector's assets very nearly match its liabilities. Hence the only recommendation to Italy that could be justified is to speed up and amplify the scope of its privatisation programme, a course of action that we have been supporting for a long time.

We conclude that, instead of insisting on further unwarranted deflationary policies and divisive issues, the EU would do well to pull together in an endeavour to cure the cancer of unemployment as suggested previously ("Perils of unemployment", January 16). This would raise the growth rate and the path of income in the EU, providing a far more effective way to reduce the debt-income ratio.

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Netanyahu's prime duty is to ensure Israeli citizens' safety

From Lord Stone of Blackheath.

Sir, Your editorial "Bibi's evasions" (April 21) sheds more heat than light on an intensely complex issue. A modicum of political sophistication should tell you that there are two sides to a conflict and I am disappointed at your highly emotive demonisation of Benjamin Netanyahu.

More than 500 Israeli civilians have died in terrorist attacks emanating from the Palestinian-controlled areas of the West Bank and Gaza Strip since the Declaration of Principles was signed by Yitshak Rabin, the late Israeli prime minister, and Yassir Arafat, the Palestinian leader, on the White House lawns in September 1993. Most of these attacks were conducted by two Islamic extremist organisations, Hamas and Islamic Jihad, and involved operations that required considerable organisation, intelligence-gathering, logistical planning, weapons preparation and recruitment.

Those attacks were not the result of frustration at the slow pace of the peace process. On the contrary, both Hamas and Islamic Jihad oppose the peace process, and their most spectacular outrages occurred precisely when momentum was at its height and Israel was handing over control of all Palestinian cities in the West Bank to the Palestinian Authority.

Mr Netanyahu is demanding that Mr Arafat demonstrate his commitment to peace by using his huge police force, organised in a multiplicity of security agencies under his command, to rein in the men of violence and fulfil the contractual obligations which he has undertaken.

The Israeli government, like any other democratic administration, has a primary duty to ensure the physical safety of its citizens and I do not believe any Israeli government would be willing to cede territorial assets if the result of such actions were to leave its population more vulnerable rather than more secure.

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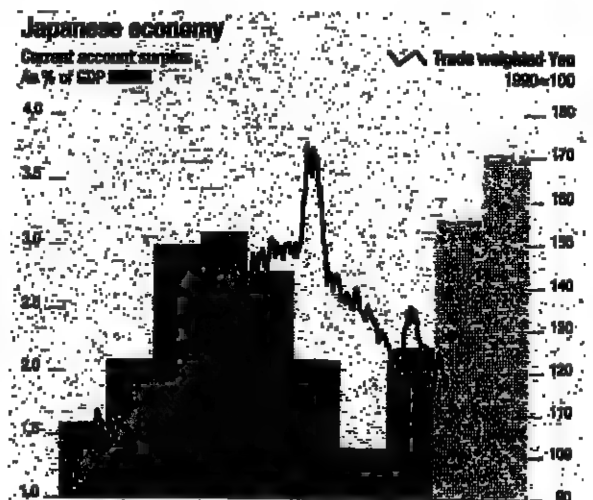
PERSONAL VIEW JEFFREY SACHS

Danger in flogging Japan

Japan needs a bold monetary expansion not misguided criticism from the west



The rhetoric accompanying Japan's slowdown has become ghoulish. The US accuses Japan of having no economic policy. Japanese business leaders compare Prime Minister Hashimoto with Herbert Hoover, the president who stood by as the US sank into the Great Depression. Japan is accused of putting the world at risk of global contraction. Edward Lincoln, senior fellow of Brookings Institution, writing in Foreign Affairs (the US establishment foreign policy journal), said the US should stop consulting with Japan, so unreliable has it become.

This hyperventilation is dangerous. Japan is not entering a great depression, nor pulling the world into deflation. Its "threat" is to export more goods and services to the US and Europe, which mistake a bilateral trade deficit as an act of bad faith.

Japan's problems have been made in Washington as well as in Tokyo. To understand that, we must begin with some basic facts. Japan's population is ageing rapidly. Its frugal population is intent on saving for the approaching years of long retirement. It is also a mature economy, not only the second largest in the world, but also among the richest. Its rapid growth era is over. Rates of return on new investment have fallen markedly. Japanese companies have shifted much new investment to capital-scarce east Asia, as well as to the US, which has a younger and still fast-growing labour force.

The result is a an excess of saving over investment by several per cent of gross domestic product. This is reflected in a surplus of exports over imports, and the accumulation of financial claims abroad. Alas, the underlying logic of Japanese current account surpluses has eluded a generation of US congressmen, administration officials, and Japan-bashing pundits. US congressmen have seen nefarious trade barriers. Administration officials have noted obsessive fiscal prudence. And Japan-bashers have seen Machiavellian manipulations of an under-valued yen. Hence the relentless Washington campaign, echoed in Europe: Japan should expand government spending, limit exports, and strengthen the yen – regardless of the macroeconomic conditions.

Under US pressure, Japan has undertaken half a dozen fiscal stimulus packages since 1992, raising the general government budget deficit (not counting social security) to around 6 per cent of GDP, and not doing much – if anything – for growth. Today the Japanese government announces yet another package. It may prove mildly useful, but it would have been better and cheaper to expand tax breaks for business investment.

The US and Japan relentlessly talked up the yen in the early 1990s on the mistaken belief that a Japanese current account surplus meant, *ipso facto*, a yen undervaluation. That bit of misunderstanding eventually pushed the yen up to a mind-boggling 80 yen to the dollar in 1995. It has since retreated to 130. But even now, US and Japanese officials speak of a "weak" yen, forgetting that the real value of the currency (adjusting the nominal exchange rate for inflation differences across countries) is simply back to its 1992 levels.

Relative to the period before 1992, it has risen hugely. Full employment equilibrium in Japan calls for the yen to be closer to 160 to the dollar. A year ago, Japan confronted a still-weak fiscal position and a still over-valued yen. The east Asian financial crisis turned its fragile recovery into the threat of recession. Until mid-1997, large financial flows from Japan to east Asia had not only fuelled rapid east Asian growth, but diverted the Japanese current account surplus towards Asia by creating a huge market for Japanese manufacturers. That outlet for savings has gone.

Once again, Washington has exacerbated the situation, this time by demanding drastic austerity and bank closures in east Asia. When Japan promoted a scheme to keep recycling its funds to Asia last October, the US rejected it insisting that the crisis should be managed by the IMF. All parties concerned now pay the price for that decision.

The image of Japan as irresolutely dithering while all this unfolded is more wrong than right. There has already been a substantial opening of Japan's capital markets. More is to come. The crucial telecommunications sector is being reformed. Other deregulatory changes in retail trade and services have been enacted. The complex and unsolved problem remains the heavy load of bad debts in the banking system.

With cool heads and outside help, Japan can find a least-risk solution:

● we must learn to live with Japan's current account surpluses. These are part of global capitalism, not a Japanese trick.

● Japan and the US should stop pronouncing on the yen exchange rate. It is likely to be weaker, with or without today's fiscal stimulus.

● Monetary policy should remain expansionary. The Central Bank should not sit back and allow the implosion of weak financial institutions. In most cases, they should be carried until they are merged out of existence, purchased by foreign buyers or nursed back to health. One form of monetary stimulus would be cheap, easy, off-budget and highly salutary: the Bank of Japan could purchase tens of billions of bad loans from banks using outright money creation. This would be inflationary but, given falling prices, it is what the doctor ordered. This would help revive the banks directly, as well as indirectly by boosting asset prices.

● The Japanese government should use part of the funds recently allocated to a bank clean-up to establish new lending facilities to small and medium businesses. The rest should be used to take bad loans off the balance sheets, on the road to bringing new capital – foreign and domestic – into the Japanese financial houses. Japan could just as well provide a further \$30bn-\$50bn of new net financing to east Asia. The key here is to establish that such new loans will have priority in repayment over the old debts being rescheduled. The money would return quickly to Japan in renewed exports to the region.

The global deflation of the 1930s came from monetary orthodoxy in support of the gold standard, combined with self-feeding retreat of private capital flows and a spiral of trade protectionism. By pushing Japan into a misguided posture of monetary restraint, defence of the yen, export limitation and over-zealous closures of weak banks we could risk repeating that disaster.

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FINANCIAL TIMES

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Friday April 24 1998

It's D-day for the Duma

Whatever Boris Yeltsin's aim was a month ago in dismissing Viktor Chernomyrdin, his long-serving prime minister, one thing he has not achieved is a clarification of Russia's murky politics.

On the face of it, today sees a clear trial of strength between Mr Yeltsin and Gennady Zyuganov, whose Communist party is the largest in the lower house of the Russian parliament: a repeat, in effect, of the 1996 presidential election. Yet few Russians take this seriously any longer.

Mr Zyuganov's bravado in calling on his troops to vote a third time against Sergei Kiriyenko, the president's nominee for prime minister, has surprised many observers. Even now the prevailing view is that enough Communist backbenchers will buckle, rather than face new elections, for Mr Kiriyenko to scrape through. Even if that proves wrong, few imagine that new elections would bring the Communists back to power.

Under Mr Yeltsin's tailor-made constitution the presidency is what counts, and once parliament was dissolved the president could rule by decree for several months. He could keep Mr Kiriyenko as prime minister and push through reforms that the *Communists bitterly oppose.*

The real struggle, however, may not be between Mr Yeltsin and Mr Zyuganov at all, or even in any clear-cut way between supporters and opponents of reform. (If it were, the liberal Yabloko party would be backing Mr Kiriyenko, instead of promising to vote against him.) It is between rival power-brokers and businessmen, and can be glimpsed indistinctly through the newspapers they control.

Nezavisimaya Gazeta, *owned* by Boris Berezovsky, warns that Mr Kiriyenko can be confirmed only if the president accepts the conditions of "big capital", getting rid of reformers who have tried to break up the big private monopolies. Komsomolskaya Pravda, owned by Vladimir Potanin, replies with the accusation that Mr Berezovsky has bribed some deputies, notably the supporters of the ultra-nationalist Vladimir Zhirinovsky, to vote against Mr Kiriyenko.

Even if confirmed, Mr Kiriyenko will have a tricky course to steer between these powerful "crony capitalists" jockeying for the ear of an ailing and capricious president. But that would still be preferable to the uncertainties of an election campaign, combined with the danger of a constitutional vacuum if Mr Yeltsin should die or be incapacitated with no generally accepted prime minister in place to assume the *reins of power.*

Mr Kiriyenko should on balance be confirmed today, but this will be something less than a famous victory for democracy.

Own goals

On average, people will watch about six football World Cup matches on television this summer. They will be tuning in to a tournament that is being organised as chaotically as a village fête.

Wednesday's opening of the telephone ticket hotline in France was only the latest fiasco. Tens of millions of calls came in from all over Europe in pursuit of the 110,000 tickets available. With only 90 operators on hand, the chance of getting through was 2m to one.

There are two ways of selling World Cup tickets: at market prices or by distributing them "fairly" to ardent fans. The World Cup organisers have failed at both. They have also apparently broken European Union laws by reserving two-thirds of the 2.5m seats for French fans. Worse yet, there will be empty seats at many matches this summer – *as there were at the* Euro 96 championships in England and the 1990 World Cup in Italy – simply because getting hold of a ticket is so difficult.

The affair confirms that sport remains one of the worst managed of businesses, *despite all the* money poured into it in recent years. Michel Platini, who heads the World Cup organising committee, may have been a brilliant footballer, but that hardly equips him for his current job.

Japan and South Korea, hosts of the next World Cup in 2002, must learn from France's failure. They should sell seats at higher prices which would bring demand much closer to supply.

Large companies are willing to *pay thousands of pounds per* ticket to take clients to World Cup matches. Let them do so, thus assuring the solvency of the tournament.

However, World Cup tickets should not be seen to be reserved entirely for millionaires. For many people, the national football team represents the nation – or almost a religion; and there are powerful feelings that it should be open to all. But since only a tiny fraction of those who would like to attend in person can do so, some form of rationing is essential. And the price mechanism is likely to be far the most efficient. Even if most tickets are very expensive, ways could still be devised to enable poorer fans to attend.

At present, the chance of obtaining a ticket is comparable to that of winning the national lottery. So why not distribute a proportion of the tickets explicitly *on this basis – or perhaps by* ballot? Some could be allocated to football clubs, which could equalise chances with a sweepstake. This would be much fairer than the present lottery of trying to get through to an engaged telephone number.

Cardoso's loss

The deaths within a few days of two important political allies of President Fernando Henrique Cardoso of Brazil seem at first sight to deliver a severe blow to his reform efforts.

Their knowledge of the mechanisms of Brazil's political system was widely viewed as critical to the passage this year of important legislation, in particular on social security and pensions reform. That in turn is necessary to start reducing the government's excessive budget deficit, the Achilles heel in Mr Cardoso's so far successful anti-inflation programme.

Yet, though undoubtedly a powerful personal blow to the president, the loss of his two allies need not prove devastating.

In the first place, there will be little impact on Brazil's privatisation programme, completion of which has already moved under the control of the country's development bank.

Second, Mr Cardoso has proved himself adept at taking advantage of adversity. If, as *he has* promised, he takes the matter energetically into his own hands, he can secure the passage of the social security reform before Congress goes into recess in July ahead of general elections. Indeed, there may be a sympathy vote that will ease the process.

Moreover – though this is less likely – Mr Cardoso may also be able to revive efforts to win backing for a constituent assembly to sit next year. This assembly would allow the passage of further constitutional reforms with a simple majority rather than the two-thirds majority currently required.

That is not to say this week's events have no political consequences. The main impact of the deaths of Sergio Motta, minister of communications, and Luiz Eduardo Magalhães, the government leader of the lower house of Congress, may be felt in Mr Cardoso's second term should he win this year's election.

Any sympathy vote will have vanished, and the president will face Congress without Mr Motta, the shrewdest political operator of his own PSDB party. Additionally, the loss of Mr Magalhães – who had been talked of as a successor to Mr Cardoso in 2002 – calls into question the future of the PFL party, Mr Cardoso's main coalition partner.

Brazil's anti-inflation programme remains vulnerable, as Mr Cardoso knows, to the government's weak fiscal position. If the president succeeds in pushing through his social security reforms, the short-term risks to the programme have probably not been increased by the deaths of the two men. *But Mr Cardoso's* longer term aim of building on a sustainably reduced inflation rate to attack Brazil's social ills looks more difficult than ever.

End of the strong dollar?

Investors are beginning to wonder if the US economy might prove a bubble. Simon Kuper and Gerard Baker look at part of the question: will the US currency fall?

The dollar began to climb three years ago this week. It has hardly looked back since. Batch after batch of data confirmed the US economy as the star of the rich world. Whenever he was asked, Robert Rubin, US treasury secretary, would repeat his mantra: "A strong dollar is in the US interest."

Yet an era may be ending. This week the world's most heavily traded exchange rate, the dollar/D-Mark rate, may have begun to turn. It dipped below the key DM1.80 rate. At the start of the month, it hit a peak of DM1.85.

Do not sell all your dollars yet, *foreign exchange strategists say,* but prepare to discover that the currency has peaked against the D-Mark. Michael Rosenberg, head of international fixed-income research at Merrill Lynch, the securities house, describes himself as "one of the few dollar bulls left". Philippa Malmgren, currency strategist at Bankers Trust, the investment bank, and a fellow bull, says: "The market sentiment is definitely shifting right now."

The shift seems confined to the dollar's value against the D-Mark and the European currencies that swim in perfect synchronicity with it. All things being equal, this would mean the dollar falling in trade weighted terms. But *most strategists say* that, against the yen, the currency of a shrinking economy, the dollar should keep going strong (see right).

What underpins these currency movements? And, assuming they continue, what would they mean for the US and European economies?

If the D-Mark does rise, cheers in Europe may be muted. Germany seems to have no desire yet for a stronger currency – understandably, since the weak D-Mark has helped European exporters lead an economic recovery. Tellingly, European shares tend to fall when the currency rises. A stronger D-Mark would simply add to costs in high-wage German manufacturing. Yet a stronger D-Mark looks likely, if not today or tomorrow then within the next few months. The reason is that the European economic fundamentals are shifting.

For the past three years, the continent's stagnant economies and the doubts over economic and monetary union (Emu) have hurt the German currency. Now, things are different. Emu appears a done deal – it is expected to get its formal go-ahead early next month. And Europe is catching up with the growth rate in the US.

German economic growth accelerated to 3 per cent a year, and unemployment peaked last October at 11.8 per cent. Although Europe is hardly booming, everyone agrees the trend is moving the right way. By contrast, most economists think US growth will slow from its annual rate of about 3-3.5 per cent to about 2-2.5 per cent in the next six months.

Growth in Europe could push up European interest rates, making the D-Mark more attractive to yield-seeking investors. Germany's bell-wether interest rate, the repo rate, is now 3.30 per cent, but the market expects the Bundesbank to increase rates in the second half of the year. In January 1999, when the European central bank takes over monetary policy, it is expected to set its first repo rate at about 3.75 per cent.

Given that Spain, the Nether*lands, Ireland, Finland and some* other likely Emu founders are already growing far faster than Germany, European rates could then continue rising. Even while they remain below the US Federal funds rate of 5.50 per cent, their upward momentum should help the D-Mark.

The prospect of higher rates has already raised the yields on German government bonds, making them more attractive. The yield gap between 10-year US and German bonds has shrunk to about 80 basis points, just over half its level of a few months ago. The smaller this gap, the better the D-Mark tends to perform against the dollar.

Everything is going the euro's way, it seems. For years investors worried about whether Emu would happen, who would join it, and whether it would produce a weak euro. Those fears led them to seek safe havens in the dollar, *sterling and the Swiss franc.* Today, investors are confident that in eight days' time 11 countries will be selected as founder members of Emu. The fears of a collapsing euro have faded, now that even Italian inflation has dropped to barely more than 1 per cent.

Even the wrangle over who will run the European central *bank is not scaring many inves*tors away. "All European central bankers are now as rigorous and orthodox as each other," says Nick Parsons, currency strategist at Paribas Capital Markets, the French bank. Most investors expect the ECB to raise interest rates when it thinks this necessary without worrying what the politicians will say and regardless of who the chairman is. If so, that would tend to help the euro.

The other way Emu is likely to hit the dollar is by encouraging central banks and fund managers to keep more of their portfolios in euros. It is clear that both groups hold more dollars than their own guidelines tell them to. Just how overweight they are in the dollar was made apparent by Paribas last week. The bank said that central banks now hold 71 per cent of their \$1,533.9bn reserves in dollars. That is 6 percentage points more than two years ago, *despite the approach of Emu.* That "over-investment" in dollars would imply a large shift into euros over the next year or more.

Since the dollar and the pound tend to move in tandem, any fall in the former would be likely to drag down *the latter. That would* relieve UK exporters and Tony Blair, the prime minister embarrassed by his inability to combat *the rising pound. The comparison* with the UK – where the fate of the currency has been a serious political matter – emphasises how little concern there is in the US over the dollar's rise.

It is true that the strong dollar has hurt US trade performance in the past few years. The trade deficit increased by nearly 6 per cent in the first two months of the year compared with a year earlier, and is likely to climb much higher. A rise in the current account deficit could lead to nervousness among investors about the long-term sustainability of the US external financial position. US manufacturers, particularly carmakers, have complained about the strong dollar.

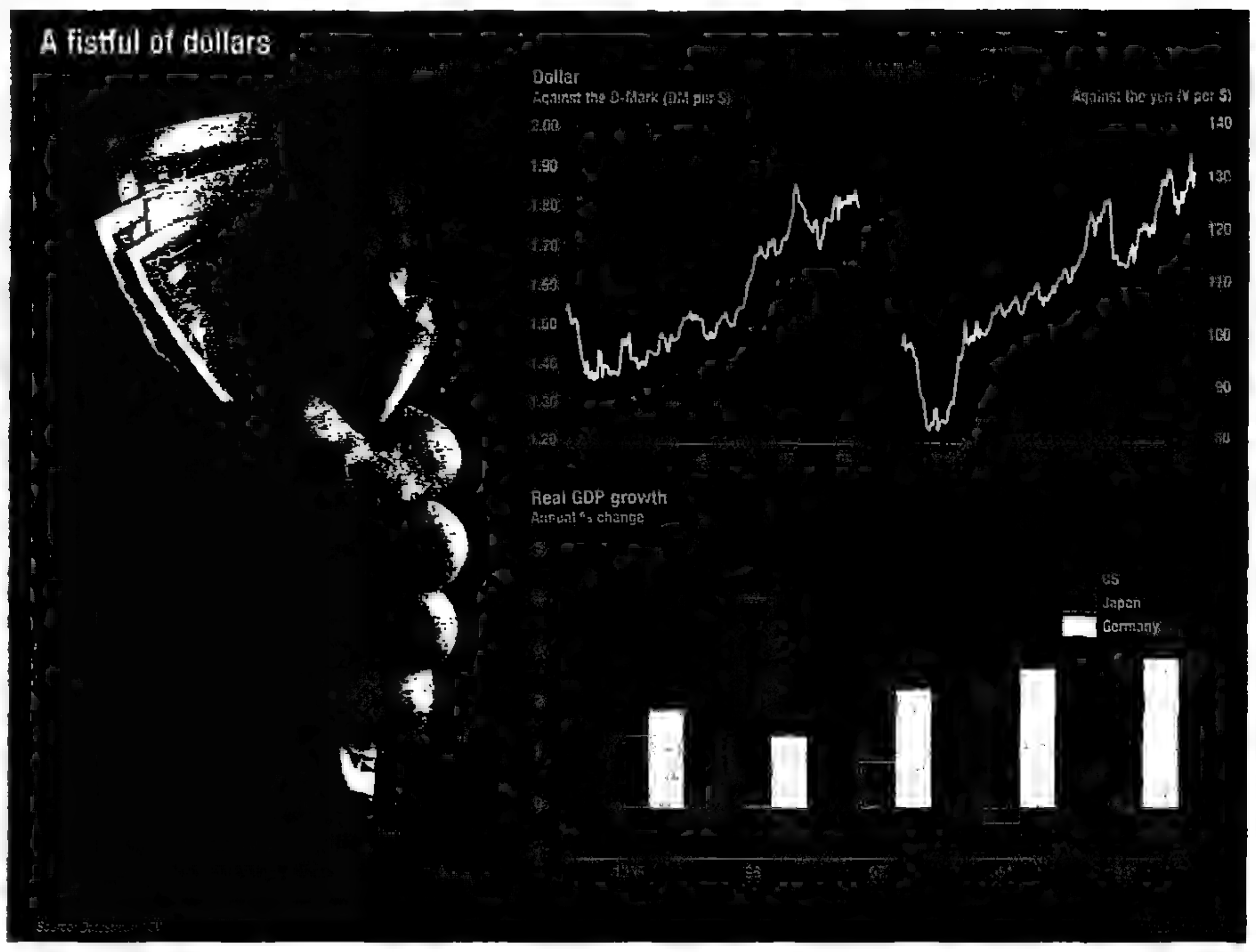
However, there is no real political appetite for anything to be done about it. With unemployment near a 25-year low, even the most protectionist of politicians can hardly argue that the strong *dollar is exporting US jobs* abroad. Unlike in previous episodes of sustained dollar strength, US officials are showing few signs of alarm.

The American economy is relatively closed, with manufactured *exports representing less than 10* per cent of gross domestic product. The US current account deficit is still at a manageable 2 per *cent of GDP. Most important, US* officials really believe what they say repeatedly in public: international currency movements in the recent past broadly reflect economic fundamentals and will only change when the fundamentals change.

All the same, the US is not adopting a completely hands-off policy towards the dollar. There is concern, in the administration especially, that other countries, particularly Japan, will use the strengthening of the US currency as a deliberate tool of policy to export their way out of their economic weakness.

Japan and the euro-zone countries, the US administration thinks, must not be allowed to think they can avoid the difficult structural reforms necessary simply by having their currencies weaken in international markets.

Yet no one expects to see the *day that Mr Rubin sells billions* of dollars in the market. If strong US economic fundamentals keep the dollar strong against the yen, he can live with that. And if strong German fundamentals drag down the dollar against the *D-Mark, well, he can live with* that too.



Policymakers, not currency traders, rule over dollar/yen rate

Three years ago, the dollar briefly dropped below Y80 against the yen. Since then it has jumped to more than Y130. Robert Rubin, US treasury secretary, appears willing to let it rise further. Here, he and Tokyo seem to disagree.

Mr Rubin's *laisser-faire* approach to currencies is a breach of tradition when it comes to the dollar/yen rate. Anyone who thinks that currency traders rule the world, with policymakers as their slaves, should take a look at the dollar/yen. It has always jumped or fallen at the policymakers' command.

Tokyo seems to want to keep things that way. Since the Easter sales, various Japanese officials have again threatened to sell dollars in the market. Their threats have pushed the dollar down from almost Y135 against the yen, even though most investors hold the blackest views imaginable about the Japanese economy. Many in the market expect more dollar sales from Tokyo today, when Japan presents the details of its latest economic stimulus package.

However, the US has given little support to intervention. The Federal Reserve helped Japan carry out the dollar sales at Easter, but was at pains to emphasise to the market that it was merely acting as an agent. Earlier this week Hikaru Matsunaga, Japan's finance minister, took the unusual step of pointing out the divide between Tokyo and Washington. He noted that Mr Rubin, after initially welcoming Japan's intervention, had said again that he supported a strong dollar. "It weakened the effect of our action to correct the yen's excessive weakness," Mr Matsunaga lamented.

As long as Mr Rubin remains at the Treasury, the US is likely to back a strong dollar. That is why, whenever some traders want to sell dollars, the rumour runs through the market that he is about to resign.

OBSERVER

Trading places

Renato "Rocky" Ruggiero has at last confirmed that he will bow out when his four-year stint as head of the World Trade Organisation ends next year.

The former Italian trade minister was reluctantly endorsed by the US in 1995 on condition that he serve only one term. Since then, Washington has warmed to the ebullient Neapolitan, but Ruggiero, who will be 70 next year, says he wants a quieter life and time to write his memoirs of decades in diplomacy and politics.

The race to succeed *him* will begin as soon as his decision is formally notified after next month's WTO ministerial talkfest. The European Union has pledged not to field a candidate – all the *previous trade chiefs have been* Europeans, which was one of Uncle Sam's worries when Ruggiero got the nod – but otherwise the field is wide open.

The chances of Felipe Luiz Lampreia, Brazil's foreign minister, look slim following the choice of Chile's Juan Somavia to take the helm at the International Labour Organisation – and another Brazilian, Rubens Ricupero, currently heads the United Nations Conference on Trade and Development, which works closely with the WTO.

The candidacy of Thai deputy prime minister Supachai Panitchpakdi won't be helped by the economic brouhaha in the region, even though Asia seems under-represented in the top rank of global officialdom.

That may boost the hopes of *Mike Moore, former New Zealand* prime minister, and perhaps Roy MacLaren, former Canadian trade minister. Both have been taking soundings recently – with the greatest discretion, of course.

Case closed

Carlo De Benedetti, the flamboyant and controversial Italian businessman, is enjoying quite a comeback at 63. He recently remarried, his business empire is out of debt and in profit, and he has just sold his remaining shares in Olivetti after getting the venerable Italian computer and communications group out of the smelly stuff for the third time in 20 years.

Now *L'Inginiere* has been given a clean bill of health over his alleged involvement in the collapse of Banco Ambrosiano 16 years ago. Italy's top judges, sitting in the Court of Cassation, have quashed his conviction for fraudulent bankruptcy and the accompanying four-and-a-half-year jail term.

The court said De Benedetti had nothing to do with the crash of Italy's largest private bank, but upheld the sentences on 14 others, including Licio Gelli, head of the infamous P2 Masonic lodge.

So what will *L'Inginiere* do next? He keeps saying he wants to take it easy – something to do with entering a new period of his life. But with the law off his back and Italy's stock market booming, few people are betting that he'll opt for a quiet life by the fireside.

Aires and graces

The sight of the booted, braided and epauletted band of Argentina's Grenadiers playing God Save the Queen – Britain's dirge-like national anthem – made a few jaws drop in Buenos Aires this week: it's only 16 years since the countries fought a ferocious war.

The spectacle was in aid of the 40-strong delegation from the UK's financial services industry. President Carlos Menem has really entered the spirit of reconciliation, treating his guests to one of his favourite tangos at a boozy, good-humoured dinner.

Mission leader Howard Davies, *Britain's top financial regulator,* was heard musing on the race for the mayorship of London, which will start if next month's referendum in the British capital allows the post to be created.

All the potential candidates so far have been greeted with apathy or derision. Davies, noting that "one's heart doesn't exactly go out to the existing candidates", suggested to Buenos Aires's first democratically elected mayor Fernando de la Rúa *that he should* have a go.

If the austere De la Rúa's bid for his country's presidency comes to nothing next year, maybe Davies could fix up a trade: City of London banking expertise for an Argentine city boss.

Fiery brand

US drugs company Pfizer is evidently proud of its new Viagra brand and is defending it with all the ferocity of McDonald's or Coca-Cola: the first effective oral treatment for impotence is fresh on the market, and the company is already fighting a trademark infringement lawsuit. It has been granted a temporary restraining order in Atlanta against Väegra, a vitamin and herbal supplement marketed for the treatment of the same ailment.

Independent healthcare research analyst Hemant Shah says Viagra could make Pfizer oodles of dosh, as it can help increase sexual activity as well as combat impotence. Even in these *materialistic times, he's betting that* sex "is only second to food in terms of importance to both men and women".

Red Rosa's

Chancellor Helmut Kohl is enlisting all sorts of allies in his electoral battle. On the stump in Magdeburg, he told an audience that was giving him a rough time: "Freedom is also the freedom of *those who think differently.*"

Many citizens of Magdeburg, in the eastern state of Saxony-Anhalt, must have recognised the quote – from German communist heroine Rosa Luxembourg.

The Financial Times 50 years ago

Mexican Oil Expansion

New York, April 23. The second major United States oil producer – the Texas Company – is reported to be in an advanced stage of negotiations to help the Mexican Government finance an expansion of its oil facilities. According to these reports, the Texas Company deal involves an advance of about \$30,000,000 to Petroleos Mexicanas, the Mexican Government oil monopoly for the construction of a refinery at Salamanca, a pipeline across the isthmus of Tehuantepec, and related projects.

China May Seek Loans

Shanghai, April 23. Pressure on the Government by the National Assembly to approach Britain and the United States for a silver loan with a view to stabilising the currency has aroused considerable criticism from local financiers. It is acknowledged by some of the critics that the restoring of confidence in the legal tender is the chief goal, despite memories of the shortcoming of the silver standard, but the majority are convinced that silver is not the right medium.

Canada Frees Grains

Toronto, April 23. The Canadian Wheat Board announced last night that the export ban on oats and barley has been removed.

FINANCIAL TIMES
FRIDAY APRIL 24 1998

THE LEX COLUMN

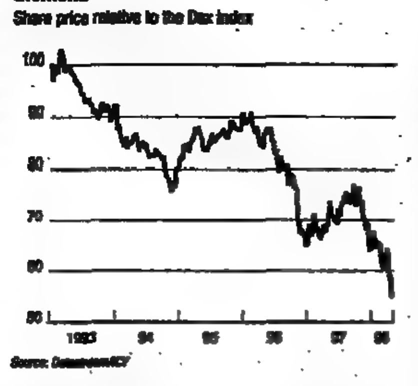
Siemens Nichtdorf

For all the talk of restructuring at Siemens, it is hard to see evidence of more than just tinkering at the edges. Yesterday's deal with Acer of Taiwan is a case in point. True, an outsourcing arrangement – whereby Acer takes over Siemens Nixdorf's personal computer plant and supplies the German company for resale under its own brand – has its merits. With Acer making the German plant its main European production site, increased volumes should cut unit costs and help push Siemens Nixdorf into Asia.

But given Siemens Nixdorf's consistently dismal profitability, it is hard to see why Siemens wants to stay in the highly competitive sector at all. A more radical solution would surely have been an outright sale. With any luck, this alliance with Acer will be a stepping-stone along that route. The trouble is that too many face-saving pauses hardly do wonders for a company's share price performance: Siemens has trailed the Dax index by over 30 per cent since 1995.

Sure, the company is selling small non-core businesses, such as the defence electronics arm and the dental equipment business. But with sales over DM100bn ($55bn), Siemens remains stretched across too many industries to compete effectively in all of them. Investors are clamouring for the strategic clarity that comes from selling divisions that do not look likely to earn their keep. Quitting PCs would be a start. But a more radical move – such as floating the power business – might rekindle enthusiasm for the stock.

Siemens
Share price relative to the Dax index



Source: Datastream/ICV

Diamonds

Sales down by over 50 per cent, share price up by almost as much. Not many companies could pull that off, but such is the world of diamonds and De Beers. Gloom about the slump in Asian demand drove the share below R90 in January, but it has since rocketed as high as R136 while its selling arm, the Central Selling Organisation, has more than halved sales.

The two, of course, are related. The diamond industry is feeling better about itself, in large part because the reduction in CSO sales has helped relieve pressure in the cutting centres. But this is hardly a reason to buy De Beers – at least not now. After all, with diamonds still flowing into the CSO, the corollary of lower sales is higher stocks, which De Beers pays for. Moreover, the demand outlook is hardly benign. Roughly a third of retail sales are in Japan/Asia, where private consumption is under huge pressure.

Longer term, there are grounds for optimism over De Beers. The restructuring of its associate, Anglo American, grants it valuable independence, while the initiative to brand diamonds promises to bolster the CSO and could lift prices. But even with the support of investment interests which are performing well, a share price of around R130 looks stretched. Demand forecasts look too sanguine, interim earnings are likely to disappoint, and the flood of foreign money boosting South African shares should not be assumed to be either well informed or long term.

US electricity

The four-month old experiment to deregulate the US electricity market has unleashed a wave of... apathy. Enron, a Texan energy company, which had launched a high-profile marketing campaign to poach residential customers in California has given up after only 30,000 – fewer than 1 per cent – signed up. You can hardly blame the consumers. Whether they switch to Enron or not, they get both a statutory 10 per cent price cut and have to pay a chunky levy which covers so-called "stranded costs" – the dud past investments of California's three incumbent utilities. Since Enron, conscious of its profits, offered a mere two weeks of free electricity as an added inducement, most households did nothing.

For Enron this is a public relations gaffe rather than a serious setback. Its main focus is on higher-margin commercial and industrial users, where it has already won $2.4bn of contracts nationwide. Set against that, the $107m start-up loss in its new Energy Services division, which includes all those marketing costs, looks well worth it. Enron is already the country's biggest gas and electricity wholesaler and by investing early and aggressively it may well be able to build a matching position in electricity supply.

What the episode shows is that it will take years for the full effect of free prices and more competition to feed through to consumers. The only fault lies with politicians who told their voters otherwise.

Argos

This week's fall in the Argos's share price, after two big shareholders said they would reject Gus's £1.9bn offer, has raised the rare prospect of a big cash bid failing. But what can have changed in the past few weeks to make this a possibility? One is that Argos may have gained the benefit of the doubt on its recovery potential. This was always a classically opportunistic bid: on the heels of a profit warning, at a period of management weakness. Even the 650p final offer – at a price/earnings ratio similar to the sector – remains well below the peak price of about 800p. Retailers – including Lord Wolfson's Next, Asda and Kingfisher – have stepped back from the abyss before. And if interest rates have peaked, this helps shareholders to rationalise sticking with the incumbents.

Argos has been able to mount a no-holds-barred defence, partly for the sad reason of its chief executive's departure. This made it much easier to propose radical change: notably a home shopping strategy (with Littlewoods) and a 150p a share distribution to shareholders.

None of this negates the persuasive logic of putting the two businesses together to create a formidable home shopping offer. But those shareholders heavy in Argos and light in Gus will be less swayed by this. Having convinced themselves of Argos's recovery potential, why miss out on it after missing the boat with the outperforming Gus?

Australian docks ruling deals blow to government

Court rejects employers' appeal against order to reinstate workers

By Gwen Robinson in Sydney

An Australian federal court dealt a blow to the conservative coalition government yesterday by ordering that 1,400 dismissed dockworkers should be given their jobs back.

The Melbourne court dismissed an appeal by Patrick Stevedores, Australia's second largest port operator, against a ruling on Tuesday that it reinstate the dockers it dismissed more than two weeks ago.

John Howard, the prime minister, and his industrial relations minister, Peter Reith, have publicly backed the company's attempts to break the powerful maritime union's monopoly on the wharves and replace its workforce with non-unionised labour.

The government has made labour reform the centrepiece of its industrial relations policies, a stand that could prove damaging in the light of yesterday's ruling and the likelihood of an election later this year.

Mr Howard, on the eve of his departure to Thailand for an official visit, said the government would carry on its efforts to reform the Australian waterfront, irrespective of any legal outcome.

"Court decisions will come and go, but the government's determination to reform the Australian waterfront will remain undiminished," he said.

Dockers barricading Patrick's facilities throughout Australia cheered loudly and raised their fists as the court's ruling was broadcast live on television and radio.

John Coombs, national secretary of the Maritime Union of Australia, said he hoped the ruling would enable union workers to return to work at Patrick's terminals as soon as today.

Speaking from the MUA's headquarters in Sydney, Mr Coombs denied suggestions that fresh violence would break out between dockers and Patrick managers when dismissed union members returned to work. But he said much depended on Patrick's next move and whether Chris Corrigan, the company's chief executive, could win a further stay on the order pending appeal to a higher court.

Further complicating the reinstatement of the dismissed workers is the federal court's intention to hold a full hearing on the union's claims that it was the victim of an illegal union-busting conspiracy between Patrick, the government and the National Farmers Federation, the main farmers' lobby.

Mr Corrigan has described the reinstatement order as unworkable and indicated he would lodge an appeal with the High Court, Australia's supreme judicial authority.

When appealing against last Tuesday's decision, Patrick argued that Tony North, the federal court judge who initially ordered the reinstatement, had exceeded the court's authority by ruling on the issue before the union's conspiracy claims had come to trial.

The court's support for Mr North's judgment surprised some critics of the union, who view him as too sympathetic to union causes.

But the court's full bench, in unanimously backing Mr North's judgment, said it contained "no appellable error".

Furthermore, the court warned that another appeal by Patrick would "not be a particularly strong candidate". However, High Court judge Ken Hayne later granted Patrick an overnight stay on the order until the company applied today for special leave to appeal.

Challenge to Howard, Page 4

Zimbabwe probes activities of troubled United Merchant Bank

By Tony Hawkins in Harare

Zimbabwe's finance ministry said yesterday it was investigating the activities of a private bank owned by a leading black entrepreneur, Roger Boka, that is suspected of being in trouble.

"The Ministry of Finance has instituted an investigation into United Merchant Bank (UMB) due to the serious financial condition faced by the bank," finance minister Hebert Murerwa said in a statement late on Wednesday.

"The government's interest in this investigation is to ensure that depositors' funds are protected and the integrity of our financial system is protected at all times," the ministry added.

The authorities forced UMB to close last Friday. It reopened on Monday, but bankers say it is doing virtually no business.

Worried bankers had urged the government to issue a statement on UMB's status after holding an emergency meeting of their association last Tuesday.

Mr Boka's business interests extend well beyond banking and include the largest tobacco trading floor in Zimbabwe, if not the world, which he opened last year to break the stranglehold of the two white-owned floors.

An independent newspaper, quoting government sources, reported yesterday that the finance ministry had given a guarantee to enable Mr Boka to raise a $24m offshore loan, but that this was later cancelled by President Robert Mugabe on his return home from an overseas trip this month.

Earlier this year, financial analysts and even the Reserve Bank of Zimbabwe, the country's central bank, had warned that three banks, including Mr Boka's, could be in difficulties. The worry now is that the knock-on effects, the full extent of which is unclear, could undermine other financial institutions.

The probability is that the government, central bank and possibly some of the stronger financial institutions will try to organise some form of bail-out for those banks facing problems.

The crisis has erupted at a bad time for Mr Mugabe. There is no scope in the budget, already in deficit to the tune of 10 per cent of gross domestic product, to bail out ailing banks.

With the money supply growing 34 per cent in the year to January, 1998, and bank lending to government up more than sevenfold at about Z$8.2bn ($505m), any bank-led bail-out would intensify inflationary pressures and force the central bank to raise interest rates.

CONTENTS

Susan McDougal, former business associate of US president Bill Clinton, again refused to co-operate with the Whitewater investigation. She is serving time in a federal jail for refusing to testify. Page 6

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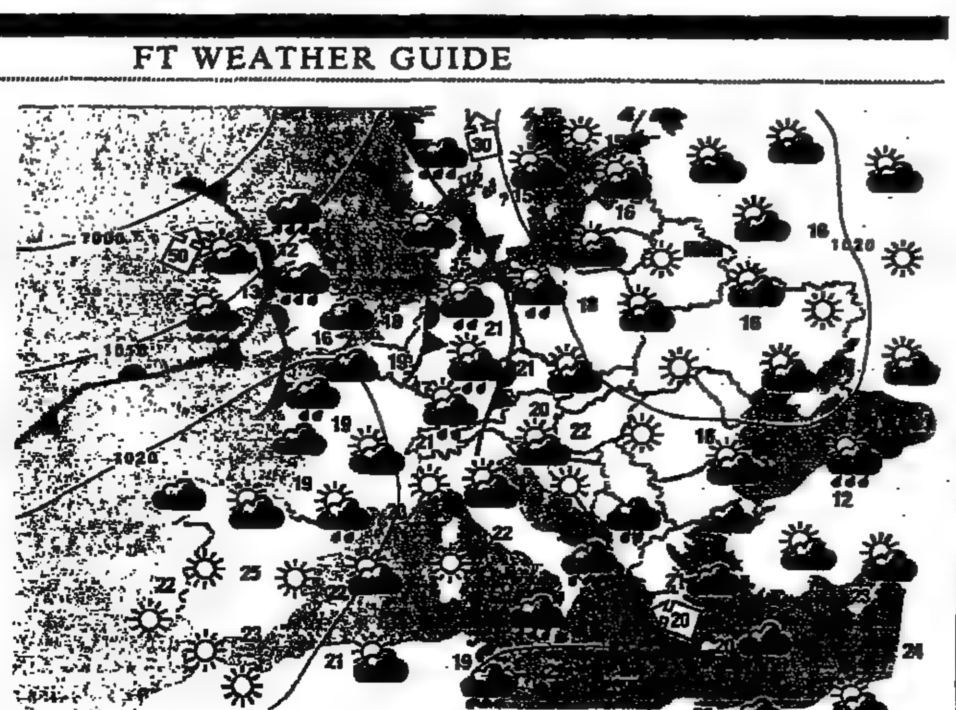
FT WEATHER GUIDE

Europe today

A series of frontal systems will move eastwards across north-west Europe. Northern France, the Low Countries, Denmark and southern Sweden and Norway will have rain and some bright spells, and it will be fairly warm. A large area of high pressure will maintain the settled spell across eastern Europe where there will be plenty of sunshine. Much of Spain, Portugal and southern France will be dry and sunny, but the central and eastern Mediterranean will be cloudier, with heavy rain, some of it thundery.

Five-day forecast

Cloud and rain will move across Spain later on Sunday, moving into the central Mediterranean by the start of next week. Scandinavia and much of north-west Europe will have further spells of rain, but associated fronts will stall over Germany as high pressure persists across most of eastern Europe.



Situation at midday. Temperatures maximum for day. Forecasts by PA WeatherCentre

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	Fair	31
Accra	Fair	32
Algiers	Fair	21
Amsterdam	Shower	18
Athens	Cloudy	21
Atlanta	Sun	25
B. Aires	Shower	24
B.ham	Rain	14
Bangkok	Fair	35
Barcelona	Fair	20
Beijing	Fair	20
Belfast	Rain	13
Belgrade	Fair	21
Berlin	Shower	21
Bermuda	Fair	24
Bogota	Cloudy	20
Bombay	Fair	33
Brussels	Fair	19
Budapest	Fair	22
C.hagen	Shower	15
Cairo	Sun	29
Caracas	Cloudy	31
Cardiff	Rain	13
Casablanca	Sun	21
Chicago	Fair	20
Cologne	Cloudy	20
Dakar	Fair	28
Dallas	Sun	30
Delhi	Sun	34
Dubai	Sun	32
Dublin	Shower	13
Dubrovnik	Fair	20
Edinburgh	Shower	15
Faro	Sun	24
Frankfurt	Fair	20
Geneva	Fair	21
Gibraltar	Sun	23
Glasgow	Rain	12
Hamburg	Fair	18
Helsinki	Fair	15
Hong Kong	Thunder	29
Honolulu	Fair	29
Istanbul	Fair	15
Jakarta	Fair	32
Jersey	Rain	13
Johannesburg	Sun	23
Karachi	Sun	35
Kuwait	Sun	34
L. Angeles	Sun	19
Las Palmas	Fair	25
Lima	Cloudy	28
Lisbon	Fair	22
London	Rain	16
Lux.bourg	Cloudy	17
Lyon	Fair	20
Madeira	Fair	21
Madrid	Fair	25
Majorca	Fair	22
Malta	Rain	21
Manchester	Rain	14
Manila	Fair	33
Melbourne	Shower	20
Mexico City	Fair	30
Miami	Sun	27
Milan	Fair	24
Montreal	Rain	16
Moscow	Fair	18
Munich	Fair	20
Nairobi	Sun	27
Naples	Fair	22
Nassau	Fair	28
New York	Fair	19
Nice	Fair	20
Nicosia	Sun	23
Oslo	Rain	13
Paris	Fair	19
Perth	Fair	25
Prague	Fair	20
Rangoon	Fair	35
Reykjavik	Rain	9
Rio	Fair	26
Rome	Sun	23
S. Frsco	Fair	17
Seoul	Rain	22
Singapore	Fair	33
Stockholm	Fair	15
Strasbourg	Fair	19
Sydney	Fair	23
Tangier	Fair	23
Tel Aviv	Fair	24
Tokyo	Rain	23
Toronto	Fair	16
Vancouver	Cloudy	13
Venice	Sun	20
Vienna	Fair	20
Warsaw	Fair	18
Washington	Sun	22
Wellington	Fair	17
Winnipeg	Fair	17
Zurich	Fair	19

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FINANCIAL TIMES
COMPANIES & MARKETS
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FRIDAY APRIL 24 1998
Week 17

INSIDE

Cost of GAN rescue might be repaid
Didier Pfeiffer, the chairman of GAN, the troubled French state-owned insurer, has indicated that the cost of the FFr20bn-plus ($3.3bn) government-backed rescue plan for the group would be reimbursed once it was privatised in June. Page 21

MacMillan sells paper unit
MacMillan Bloedel, Canada's largest forest products group, is selling its paper operations to a Vancouver investment syndicate for C$850m (US$593m). The group reported first-quarter net earnings of C$16m, its first profitable three months after five consecutive quarterly losses. Page 19

StarHub wins two Singapore licences
StarHub, British Telecommunications' consortium, was awarded two of three telecoms licences by the Singapore government yesterday, beating Cable & Wireless of the UK and WorldCom of the US. StarHub, which also includes Nippon Telegraph and Telephone of Japan, Singapore Technologies Telemedia, and Singapore Power, will offer one local fixed-line and one mobile service from 2000. The other mobile licence was awarded to a consortium including Singapore's NatSteel, Teledata and GTE of America.

F&C to wind up Germany trust
Foreign & Colonial German investment trust has proposed winding itself up and allowing investors to transfer to its sister trust, F&C Eurotrust, which invests across continental Europe. Page 22

Greenhill appoints ex-Barings staff
Simon Borrows and James Lupton, who quit this month as senior executives of ING Barings, are to head the new European office of Greenhill & Co, a New York advisory firm run by a US mergers and acquisitions specialist. The company has advised on $30bn of transactions since it was set up in 1996 by Robert Greenhill. Page 18

Flat dollar a reminder of rate fears
Global equities had a day of taking stock: Asia was mixed, Europe drifted lower and Wall Street made an uncertain start. Weak bonds and a flat dollar continued to call the shots, with the latter holding below DM1.80 in the European trading day and reminding investors of the perceived upward pressure on European interest rates. Page 36

Row brewing over Brazilian coffee
Coffee producers from Central America are considering leaving New York's Coffee, Sugar and Cocoa Exchange because of a proposal to allow Brazilian coffee to be deliverable against the exchange's benchmark Coffee 'C' contract. Producers say the introduction of large quantities of Brazilian washed arabica would distort the market and affect demand for their crops. Page 26

Australia stock market at new high
Australia's waterfront dispute has weighed on the Australian dollar in the past two weeks, but has had a limited effect on the country's stock market. The benchmark All Ordinaries index has reached new highs on the back of gains in the US market and talk of an interest rate cut. Page 36

COMPANIES IN THIS ISSUE

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MARKET STATISTICS

Siemens quits manufacturing of PCs

Last European producer of personal computers sells to Taiwan's Acer

By Andrew Fisher in Frankfurt, Paul Taylor in London and Laura Tyson in Taipei

Siemens, the German electronics group, is quitting personal computer manufacturing as part of a company-wide reorganisation. The move marks the exit of the last European full-range computer group from PC-making.

Siemens Nixdorf Information Systems is selling its PC manufacturing operations in Augsburg, Germany, to Acer of Taiwan. The Taiwanese group, one of the world's largest PC manufacturers, will build PCs for SNI under contract at Augsburg. The plant currently produces 1.4m PCs a year.

SNI will continue to design and sell the machines. Other European IT groups including ICL, Groupe Bull and the Olivetti group have all quit the low margin PC manufacturing business in recent years, leaving big US and Far Eastern PC manufacturers and small local producers to dominate the market.

Gerhard Schulmeyer, SNI's chief executive, who has restructured computer operations over the past four years and steered the business back to profitability, said the deal will enable Siemens Nixdorf "to deliver state-of-the-art technology across the whole PC spectrum at competitive world market prices".

The bulk of SNI's remaining operations are to be reintegrated into the Siemens group and merged with the communications business. The new information and communications division, due to begin operations from the start of October, will have annual sales of nearly Dm50bn ($28bn) and account for roughly 40 per cent of Siemens' total sales this year.

Siemens said the decision to merge the two units was spurred by "basic changes in global markets. These included, above all, "technological convergence, telecoms deregulation and privatisation, the increasing importance of services in information and communications and customer demand for integrated information and communications solutions".

Mr Schulmeyer, who is returning to the US in October to become chief executive of Siemens' US operations, said: "Siemens is the first company to merge its data technology and communications technology activities, making it a pioneer in this respect."

Neither Siemens nor Acer would disclose the terms of the sale, but analysts suggested it was likely to involve only a small capital investment by Acer.

The deal will expand Acer's European manufacturing operations ahead of European currency union, and help Acer gain a higher market share in the European market. Acer already has an assembly plant in the UK.

It will also boost Acer's worldwide PC output, including brand name and contract production, from 8m units this year to 10m in 2000.

Acer did not rule out the possibility of cuts in the plant's 2,000 workforce which includes 200 research and development staff. Acer intends bringing key management at Augsburg into the company.

Lex, Page 16

Regulator suspends bids for Energy Group

By Andrew Taylor, Utilities Correspondent

The British Takeover Panel last night launched an unprecedented intervention into the bid battle between rival US utilities for Energy Group, the largest UK electricity supplier.

It suspended the bid timetables for the cash offers from Texas Utilities and PacifiCorp, each worth more than £4bn ($6.7bn).

Alistair Defriez, the panel's director-general, said he had taken the step to "ensure a fair and orderly procedure" and to remove "the potential for a last minute unseemly rush" as bid deadlines approached. PacifiCorp, which is offering 820p a share, previously had until midnight on Sunday to counter an 840p a share offer from Texas worth £4.45bn.

Mr Defriez said that the last time the Panel had made a similar move was in December 1983 when BAT Industries of the UK and Allianz of Germany were battling for control of Eagle Star insurance.

The panel on that occasion did not stop the clock but required the rivals to make sealed bids. BAT paid £968m for Eagle Star after Allianz withdrew before the envelopes were opened.

Mr Defriez said the panel was considering whether to use sealed bids again to resolve the battle for control of Energy Group.

An alternative would be to allow an auction but with a time limit between bids after which the hammer would be brought down.

Mr Defriez said: "We will be seeking to win the agreement of all the parties involved so that, if companies want to revise their bids, they can do so in an orderly way. He added that it was unusual to have two competing bids at this late stage.

The idea of a timetable was to prevent a hostile predator from simply wearing down the company it was bidding for over a long period. Energy Group in this case had recommended shareholders to accept previous offers made by the two US groups.

The latest Texas bid was cleared last week by the British government, which decided not to refer the offer for investigation by the Monopolies and Mergers Commission.

Energy Group's shares however have continued to trade well above the Texas offer price of 840p a share, climbing a further 10½p to 867½p yesterday.

Some analysts have been puzzled that PacifiCorp, which opened the bidding for Energy Group at 690p almost a year ago, has not yet moved to increase its latest offer or pull out of the bidding altogether.

There has been speculation that the Oregon-based utility was trying instead to purchase Energy Group's US coal operations, which are unwanted by Texas.

Texas has agreed, under the terms of its offer for Energy, to sell the the Peabody coal operations for $2.3bn to Lehman Brothers Merchant Banking Partners for $2.3bn. It says any negotiations to purchase Peabody would have to be with Lehman Brothers.

PacifiCorp last night declined to discuss its plans. Its original offer was blocked by a reference to the MMC after PacifiCorp had received acceptance for more than 60 per cent of Energy Group's shares. PacifiCorp was cleared by the commission only for Texas to enter the fray.

Friends of the Earth picketing ICI's AGM in London yesterday. The company blamed sterling, the Asian crisis and a price war in the US paints market for undermining profits. Report, Page 22. Picture: Ashley Ashwood

Mellon lawsuit seeks to stop bid from BoNY

By John Authers in New York

Mellon Bank yesterday hit back at Bank of New York's unsolicited $26.9bn takeover proposal launched on Wednesday, issuing a lawsuit seeking to halt the bid. It claimed BoNY had unfairly used confidential information against it.

The development surprised Wall Street by its swiftness. It increased speculation that BoNY's attempt to impose a so-called "bear hug" on Mellon, forcing it to agree terms without the need for a formal offer, would not be successful.

BoNY's proposal, the largest unsolicited offer ever made by a US bank, followed the breakdown of talks between the two banks last year. These concerned a possible "merger of equals" between the two.

Mellon's lawsuit alleges that the talks were part of a scheme by BoNY "to wrongfully obtain confidential and proprietary information regarding the business and financial performance of Mellon in order to carry out its unlawful scheme to seize control of Mellon".

It said BoNY finance officials had been given non-public information about Mellon last December under a confidentiality agreement. Mellon also alleges BoNY had continued to purchase shares, after the talks collapsed in the first week of December.

It is seeking an injunction from a US district court in Pennsylvania, where Mellon has its headquarters, to stop BoNY from continuing with its bid, and to stop it from buying shares. The state has strict laws protecting banks from hostile bids and ensuring they continue to invest in their local communities – a factor analysts believe led BoNY to adopt its present approach rather than opt for a hostile bid.

BoNY made no comment on the lawsuit, but the bank seems likely to continue to put pressure on Mellon's board to consider the bid.

One adviser to BoNY said it would continue to rule out any attempt at buying Mellon without its consent. He described Mellon's lawsuit as a "groundless" attempt to prevent BoNY from communicating the benefits of its proposal.

He added: "The real issue is the necessity for Mellon's board to give this proposal careful consideration."

According to SNL Securities of Virginia, a research group, BoNY's bid would represent the most generous price ever paid for a large bank in the US. It values Mellon at 5.71 times book value, higher than the 5.39 times paid by First Union of North Carolina for CoreStates Financial of Pennsylvania.

BoNY's bid also values Mellon at 29.5 times earnings, again far in excess of the multiples normally paid in banking acquisitions.

Mellon's shares fell marginally to $77 by midday in New York yesterday, a substantial discount to the price BoNY is offering of about $90. BoNY's shares were down $1 at 61\frac{1}{16}$.

Owens-Illinois must sell BTR's UK glass operation

By Andrew Edgecliffe-Johnson in London and Samer Iskandar in Brussels

Owens-Illinois, the US glass bottling group, must dispose of all of BTR's glass packaging operations in the UK to win European Commission approval for its £2.2bn bid for the UK company's worldwide packaging interests.

The Commission's ruling on the deal, delivered in six weeks instead of the usual five months because of new merger control laws, will mean Owens-Illinois selling at least a fifth of the operations it acquired from BTR.

It will not reap the expected benefits of combining its UK business with that of BTR, the conglomerate which is unbundling its operations.

Owens-Illinois had expressed confidence in receiving clearance with no conditions by agreeing to take the risk of disposals off the hands of BTR. The US group, which is part-owned by KKR the financial buy-out group, hoped to gain approval with less stringent conditions.

Unusually, the businesses earmarked for disposal will now be parked with Morgan Stanley, adviser to Owens-Illinois, which will act as trustee until they can be sold.

Analysts said the disposal could fetch at least £400m. It is believed about a dozen financial buyers, including the UK venture capital group CVC Capital Partners, have already expressed an interest in the business.

Potential trade buyers are also understood to be considering bids, including Ardagh of Ireland in which BTR's Rockware, the business Owens-Illinois will now sell, has a 21 per cent stake.

Industry analysts said that Sean Quinn, the Northern Irish entrepreneur with a glass plant in Co Fermanagh, could team up with a venture capital group to bid for the operations.

Rockware has about 30 per cent of the UK glass bottling market, as does Owens-Illinois's United Glass subsidiary. The takeover would have left Owens-Illinois with up to 75 per cent of some segments of the glass container market in the UK and Ireland.

Owens-Illinois had argued that the competition authorities should examine its bid in the context of the broader "rigid container" market, which includes plastic and metal containers.

Japanese shares rise as companies consider buybacks

By Paul Abrahams in Tokyo

Shares in several large Japanese companies jumped yesterday after they said they might buy back a substantial proportion of their stocks.

Investors responded enthusiastically to the suggestion that Japanese corporations were increasing the importance they attach to return on equity and shareholder value.

Share buybacks, common in the US and UK, are popular with investors because they increase earnings per share by reducing the number of shares at issue. Japanese managers have traditionally paid more attention to concerns such as market share and process technology than returns to investors.

"These moves are much more important than any fiscal stimulus package or tax cuts," said Shigeki Makino, portfolio manager at Fidelity Investments in Hong Kong. "If Japanese managers become absorbed by return on equity, it could give a big boost to Tokyo's moribund equity market."

Japanese companies have begun issuing share options to managers, making their interests more aligned with owners of company stock. "Shareholder value seems to be the only game in town," said Ken Okamura, strategist at Dresdner Kleinwort Benson.

Some of the jumps in share prices were spectacular. Tokyo Steel yesterday leapt nearly 14 per cent to Y557 after announcing it might buy back up to 20 per cent of its shares, while Sumitomo Metal Mining rose 9 per cent after saying it was seeking changes to its rules to allow buybacks.

Shares in Shiseido, the cosmetics group, increased more than 9 per cent since buyback rumours emerged on Tuesday. Sumitomo Metal Industries said it had bought back 3.2m of its shares for Y713m ($5.5m) since the start of the month.

SBC Warburg, the brokers, estimated a third of the companies on the first section of the Tokyo stock exchange had net cash on their balance sheet. "Since equity is much more expensive than debt, it makes perfect sense for companies to buy back equity," said Kevin Hebner, strategist at the broker in Tokyo. "Restructuring the balance sheet is win-win for Japanese companies: return on equity goes up, pleasing shareholders, while the employees – the traditional stakeholders – keep their jobs."

The announcements follow changes in legislation last month allowing companies to use capital reserves to buy back shares. Previously, shares could only be repurchased using retained earnings. The volume and scale of buybacks has subsequently increased. Sumitomo Metal Mining said it would change its articles of association to allow the purchase of up to 20 per cent of outstanding shares.

However, Mr Okamura said yesterday's announcements only signalled that some companies wanted to change their articles of association to permit larger share buybacks. They had not yet revealed their intention to buy shares, he said, let alone actually making the purchases.

PAPER FORESTRY GROUP CONFIDENT OF REBOUND IN PULP PRICES

Stora rises 56% in first quarter

By Greg McIvor in Stockholm

Stora, the Swedish forestry group, yesterday predicted a continued rebound in pulp prices for the second quarter of the year as it announced a 56 per cent jump in first-quarter profits.

The company, the first of the big Scandinavian paper producers to report figures for the first three months, said improved prices and market conditions lifted pre-tax profits from SKr560m to SKr875m ($114m).

Higher volumes in almost all Stora's product lines in western Europe, coupled with firmer sales prices, reinforced hopes among analysts that the highly cyclical European forestry industry is starting to emerge from its latest downturn.

Prices of wood pulp, the essential raw material for paper and packaging, dipped sharply at the end of last year on fears of over-capacity and the impact of the Asia crisis on buying trends.

However, rates for Northern Bleached Softwood Kraft – the main pulp industry benchmark – have recovered to $550 a tonne from below $500 early in the year.

"It is estimated that additional price increases will be possible during the second quarter," Stora said, adding that the market had "stabilised".

The figures, the first presented by Björn Hägglund, Stora's new chief executive, were in line with market expectations. However, the most-traded A shares fell SKr2 to SKr132.

Mr Hägglund pledged last month to double profits within three years through a rationalisation programme estimated to yield annual savings of SKr3.5bn by the end of 2000.

Group turnover rose from SKr10.7bn to SKr11.5bn, reflecting the pick-up in deliveries in western Europe, Stora's main market. Earnings per share were SKr1.80, against SKr1.15.

Operating losses in pulp production narrowed from SKr166m to SKr26m, including a SKr70m deficit at Stora's now-discontinued Port Hawkesbury sulphite pulp mill in Canada. The company booked a SKr27m operating loss in sawn timber production, compared with a SKr8m profit last time. However, it stressed that earnings were on the same level as the fourth quarter last year and that price increases were imminent.

Weak performance in base products was more than offset by stronger profitability in key paper operations.

Operating profits in printing papers – Stora's biggest business – surged by SKr223m to SKr579m on the back of higher sales prices. In fine paper, operating profits advanced from SKr244m to SKr256m, aided by lower pulp prices.

Ex-Barings executives to head Greenhill unit

By Clay Harris, Banking Correspondent

Simon Borrows and James Lupton, who quit earlier this month as senior executives of ING Barings, are to head the new European office of Greenhill & Co, a New York advisory firm run by a veteran US mergers and acquisitions specialist.

Greenhill has advised on $30bn of transactions since it was set up in 1996 by Robert Greenhill after he left Smith Barney, the US broker of which he had been chief executive. Previously, he had spent many years at Morgan Stanley as a master deal maker, with part of the time as president.

Mr Lupton was deputy chairman and Mr Borrows head of corporate finance at Barings, which was bought by ING Group in 1995 after the collapse caused by Nick Leeson's unauthorised derivatives trading. They left after disagreements over strategy with the Dutch parent group.

They will be co-heads of Greenhill's London-based European office, which will initially employ 10 to 12 professionals. Greenhill is hoping for approvals from UK regulators next month.

The firm is aiming to offer an alternative to the "one-stop shopping" of large, integrated investment banks. "There's a real market out there for trust-based advice," Mr Lupton said yesterday.

Mr Borrows said: "We are convinced major European companies will welcome the establishment of a mainstream advisory firm with substantial capability in Europe and North America."

Greenhill's notable deals have included advising Compaq on its $9.6bn takeover of Digital Equipment and Coca-Cola on its purchase of Orangina in France.

The firm's other New York principals – Peter Krause, Timothy George and Scott Bok – all worked with Mr Greenhill at Morgan Stanley.

Vitale Borghesi, Lazard form link

By Paul Betts in Milan

Lazard, the international investment bank, is forming a joint venture with Vitale Borghesi, a leading Milan corporate finance advisory partnership, to strengthen its presence in Italy.

The company, which will retain the name of Vitale Borghesi, will be 55 per cent controlled by the 26 existing partners of the Milan partnership and the six partners of Lazard Italia. Lazard's branches in London, New York and Paris will each hold a 15 per cent stake.

The venture will see the return to Italy of Gerardo Braggiotti, the former secretary general of Mediobanca, the influential Milan banking group. Mr Braggiotti, who will become deputy chairman, was dismissed from Mediobanca last year after a clash with Vincenzo Maranghi, Mediobanca chief executive. He subsequently moved to Paris to become a partner of Lazard.

Guido Roberto Vitale will be chairman, while Arnaldo Borghesi, for years one of the closest financial lieutenants of Carlo De Benedetti, the former Olivetti chairman, will be managing director. The company plans to offer international investment banking advisory services.

BBV up 28% despite Latin America drive

By Tom Burns in Madrid

Banco Bilbao Vizcaya, Spain's largest bank in terms of market capitalisation, lifted first-quarter net attributable income 28 per cent to Pta30.7bn ($202m), in spite of steep costs and provisioning requirements because of its expanding banking franchise in Latin America.

Luis Bastida, chief financial officer, said capital gains from trading, which totalled Pta36bn, against Pta3.5bn in the first quarter of 1997, had been set aside to cover extraordinary country risk and one-off goodwill charges.

It has incorporated new banking networks in Argentina and Venezuela during the past year and acquired banking assets in Puerto Rico and bolstered its pension fund business in Argentina since January.

Overall costs rose 43.9 per cent to Pta140bn, mainly as a consequence of Latin American acquisitions which represent 33 per cent of banking assets and contribute 33 per cent to its attributable net profit. These proportions are likely to rise, as BBV is seeking to purchase financial institutions in Brazil and Chile.

"We are investing to bring our new assets up to BBV risk management and information technology standards," said Mr Bastida.

Its efficiency ratio, which measures transformation costs against operating margin, is one of the best in the domestic sector; it fell 1.7 per cent year-on-year to 52.9 per cent. The bank shaved the non-performing loan ratio from 2.81 per cent of total lending to 2.2 per cent.

The first-quarter results indicate that in spite of its aggressive acquisition strategy, BBV with its conservative provisioning would comfortably meet its pledge to increase attributable net profits this year by at least 20 per cent.

Net interest income rose 36.6 per cent to Pta168.8bn, due in great part to high intermediation margins obtained in Latin America.

Bangkok Bank raises Bt41bn

By Ted Bardacke in Bangkok

Bangkok Bank, Thailand's largest, has raised Bt41bn ($1.05bn) in a global equity offering, the biggest capital raising by a Thai company and the largest Asian share issue this year.

The new shares were priced at Bt93 each, a Bt5 discount to yesterday's price.

The bank topped its $1bn new capital goal by adding 40m shares to the original offering of 400m shares. It had been hoping to attain at least Bt100 a share but was still "very happy with a very attractive price", according to David Trenchland, executive director at Morgan Stanley Dean Witter, which managed the offering.

Thai banks are in the middle of an ambitious programme to raise Bt200bn a year for the next two years to shore up balance sheets ravaged by the country's economic crisis.

With the issue of new shares, foreign ownership of Bangkok Bank rises from 25 per cent to almost 49 per cent. They were sold to large institutions in the US, Europe and Asia.

No institution with designs on altering Bangkok Bank management built up large stakes, according to Mr Trenchland, leaving the Sophonpanich family firmly in control. Some members of the Sophonpanich family bought shares in the offering.

Much, if not all, of the new capital raised by Bangkok Bank will go towards provisions for bad debt. Bangkok Bank's non-performing loans stand at about 16 per cent. The bank says they should not rise above 30 per cent at their peak sometime in 1999, partly because of the deteriorating economy and partly as a result of new strict loan classification rules recently announced by the Thai central bank.

If non-performing loans rise much above 30 per cent, the bank could be forced to raise additional capital.

NEWS DIGEST

SOFTWARE

CA reassures investors with forecast of 18% rise

Computer Associates, the US software and services group, yesterday sought to reassure Wall Street following its abortive attempt to take over Computer Sciences Corporation earlier this year, by forecasting an 18 per cent rise in annual revenues to $4.7bn.

Earnings in the year ended March 31 1998, are expected to be $2.10 a share, including a 4 cents charge, or $33.8m, for the costs associated with the CSC bid. This would be a 24 per cent rise over the $1.69 a share reported for the 1997 fiscal year.

CA said it was making the statement "to dispel erroneous reports that surfaced around the time of the proposed CSC acquisition regarding the strength of its [CA's] core businesses". CA is to report its full-year results on May 19.

Christopher Price, San Francisco

TELECOMMUNICATIONS

Bell Canada lifts BCE

Strong revenue growth at Bell Canada enabled parent BCE, Canada's largest telecoms group, to report that first-quarter net earnings before special items rose 44 per cent to C$325m (US$227m), or 48 cents a share, against C$227m, or 33 cents in the 1997 first quarter. Analysts had expected 46 cents a share.

There was a special charge of C$151m, reflecting BCE's share of an acquisition write-down by subsidiary Northern Telecom, the equipment manufacturer. That cut net earnings to C$174m, or 24 cents a share. Total revenues during the first three months increased from C$7.6bn to C$8bn.

Scott Morrison, Toronto

TECHNOLOGY

Nat Semi cuts 1,400 jobs

National Semiconductor yesterday became the latest US high-technology group to announce job losses, with some 1,400 employees – or 10 per cent of its workforce – being made redundant. The move will result in a one-off charge to earnings of $60m-$70m, or 27-32 cents a share, which will be taken in the current fourth quarter. **Christopher Price**

CHEMICALS

Akzo Nobel advances 21%

Akzo Nobel, the Dutch chemicals and pharmaceuticals group that this week launched a Fl 6.3bn ($3.1bn) bid for Courtaulds of the UK, said yesterday it was not aware of any counter-offers. It expected the deal to be sealed by the end of June.

The Dutch group reported a 21 per cent rise in net profits for the first quarter, to Fl 410m. Sales were up 5 per cent to Fl 6.1bn, helped by larger volumes and currency effects.

Jean den Hoed, chief financial officer, repeated Akzo Nobel's earlier forecast that full-year earnings would be higher than last year's. Coatings showed the largest improvement, with operating income up 35 per cent.

Barbara Smit, Amsterdam

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CONSUMER PRODUCTS US GROUP'S SHARES RISE FOLLOWING BETTER-THAN-EXPECTED RESULTS

P&G rises to $961m despite dollar strength

By Richard Tomkins in New York

Procter & Gamble, the US consumer products company, yesterday reported better-than-expected net profits of $961m in the quarter to March – up 9 per cent on the prior year's period in spite of the strong dollar.

Diluted earnings per share rose 10 per cent to 65 cents, beating analysts' forecasts of 63 cents, and the shares rose $3⅝, or 4 per cent, to $87⅝ in early trading.

Because of the rise in the value of the dollar, revenues rose just 1 per cent to $8.9bn, far too little for the company to meet its previously-stated target of doubling revenues every decade.

But P&G said revenues would have risen 6 per cent without the effect of weaker currencies outside the US, mainly in Asia and western Europe.

Unit volume rose 3 per cent with price increases making up the difference.

In Asia, volume increased a modest 3 per cent, reflecting the region's economic difficulties, and net earnings plummeted 81 per cent after the effect of currency devaluations and higher investment in product initiatives.

But the Asian decline was from a small base, and was outweighed by upturns in other regions.

In the US, unit volume rose 1 per cent because competitors did not immediately match P&G's price increases in tissue and laundry products.

But the price increases, together with efforts to cut costs, helped lift net profits 10 per cent.

Volume in western Europe was flat because of competition in laundry products, but volume in Europe, the Middle East and Africa as a whole rose 5 per cent, and price increases helped lift the region's net profits 36 per cent.

Latin American volume rose 14 per cent, led by gains in Mexico, which benefited from the acquisition of a paper business, and Venezuela.

Net earnings fell 2 per cent after the effect of exchange rates, but P&G said they would have risen in line with sales – about 11 per cent – without gains from divestitures a year earlier.

Sears credit business improves

By Nikki Tait in Chicago

Shares in Sears Roebuck, one the largest retailers in the US, rose $1½ to $59¾ in early trading after the group reported improvement in its troubled credit card business – where rising delinquencies have bedevilled the company since the middle of 1997.

Arthur Martinez, chairman, said the credit business had "performed somewhat better than expected", although he acknowledged that the profit contribution from the division was down sharply.

The more encouraging comments came as Sears reported after-tax profits of $133m in the 13 weeks to April 4, down from $182m. This translated into earnings per share of 34 cents, against 46 cents, and also included a 6 cents a share gain related to credit card securitisations. However, the underlying result still beat analysts' expectations, which had averaged 28 cents a share.

Sears said the domestic provision for uncollectable accounts rose to $387m – a near-60 per cent increase on a year ago, although somewhat lower than Wall Street had feared.

The company put this down to higher delinquencies and charge-offs, and added that if the current experience continued, results from the credit division would have "difficult year-over-year comparisons" in the next two quarters. In the first quarter alone, the operating contribution from the credit division was $252m, compared with $352m.

Sales, meanwhile, rose 5.9 per cent to $8.44bn overall. Domestic retail revenues were up 6.2 per cent, which included a 4.9 per cent year-on-year gain in sales from comparable stores. But, from an earnings standpoint,

Arthur Martinez admits contribution from division was down sharply

Sears said its domestic retail business was hit by the relatively late Easter, which shifted sales into the second quarter. However, Mr Martinez highlighted an "excellent hardline performance across the full range of home appliances and electronics", saying this had contributed strongly to sales growth.

Nevertheless, gross margin – as a percentage of merchandise and service revenues – slipped from 24.6 to 24.2 per cent.

The improved services margin was "more than offset by the decline in retail gross margin due to the late Easter holiday selling season and the increased clearance mark-downs," the company said.

AIG, Bankers Trust ahead

By John Authers in New York

The Asian currency crisis continued to dent the first-quarter results of US international financial services groups reporting yesterday, although the continuing strong bull market meant that both Bankers Trust and American International Group reported results slightly ahead of the consensus of Wall Street's expectations.

Bankers Trust, a capital markets operation that is still technically a commercial bank, saw its earnings rise 11 per cent, compared to the first quarter of last year, to $222m. Earnings per share rose 14 per cent to $2.01.

The improvement was in spite of a loss of $72m in its Asian division which was due mainly to a $60m provision for trading-related credit losses.

While net charge-offs for the company were $51m in the quarter, this included $47m to cover swaps with Asian counterparties.

Non-performing assets increased during the quarter, mostly due to swaps with Indonesian and Thai counter-parties. However, Bankers Trust reduced its cross-border exposures to the worst affected Asian economies significantly. Exposures to Korea, Indonesia and Thailand fell 20 per cent to $2.8bn during the quarter.

Bankers Trust continued its aggressive advance into investment banking following its purchase of the Alex.Brown brokerage last year, with total income from the business advancing from $93m to $177m over the year.

AIG, the insurer, announced an increase of 13.5 per cent in net income to $886.5m. Its underwriting performance continued to improve, and the company said it was happy with the start of several new ventures, such as its new differential motor insurance product in Japan.

However, the increase in profits was recorded in spite of a severe dent in its extensive Asian earnings caused by currency depreciations.

In local currency terms, its worldwide life insurance premiums rose by 20.2 per cent. However, once the foreign exchange impact was taken into account, the total increase in US currency terms was only 3.3 per cent.

Its other divisions also suffered from currency fluctuations, with premiums for general insurance outside the US rising by 13.1 per cent in local currency terms, but only by 5.2 per cent in dollar terms.

Both companies' share prices slipped in early trading.

By mid-session, shares in Bankers Trust had fallen $3⅛ to $133¼, while AIG shares were down $2⅛ to $137⅛.

Low prices hit US oil groups

By Christopher Parkes in Los Angeles

The impact of low oil prices was the dominant factor in first-quarter results released yesterday from Chevron, Texaco and Phillips.

Chevron, based in San Francisco, reported earnings down 40 per cent to $500m, or 77 cents a share, compared with $1.27 last time.

Although it blamed low crude and gas prices, the group's results were also hit by work at two refineries, which cost about $75m in profits.

Texaco, which has launched a downstream joint venture with Shell, said its income was almost halved, falling from 90 cents a share to 46 cents on a like-for-like basis in spite of early benefits from the link.

Peter Bijur, chairman, said increased oil production, up 16 per cent, reduced operating expenses and better downstream earnings were insufficient to offset the effects of low oil and gas prices.

Special items related to old insurance claims helped Phillips Petroleum to a 7 per cent earnings increase to 93 cents a share, but after adjustment, the figure came out at 65 cents, 31 per cent lower than the first quarter last year.

Yesterday's results and accompanying official statements, betraying no loss of confidence or plans to reduce capital expenditure, were consistent with those of other big energy groups reporting this week.

Ken Derr, Chevron chairman, noted that the oil price had remained soft into the second quarter in spite of a producers' agreement to reduce output, but that his company's spending plans would not be cut.

NEWS DIGEST

TELECOMMUNICATIONS

Airtouch shares surge on first-quarter figures

Shares in Airtouch, the biggest wireless telecommunications company in the US, jumped 8 per cent to a record high in early trading yesterday after the company reported a surge in new customers and revenues during the first quarter. The San Francisco-based company said it had added 695,000 new customers during the period, including taking account of its proportionate holdings in other carriers around the world.

The company's direct revenues rose nearly 15 per cent in the period, to $958m, while its proportionate revenues – which include its share of revenues of associated companies – rose 22 per cent to $1.355bn. The latest burst of growth was fuelled mainly by growth overseas, which accounted for 70 per cent of the new customers, and was accompanied by a jump in earnings. After-tax profits rose to $153m, or 30 cents a share, from $64m, or 13 cents, a year before. Airtouch shares rose $3⅞ in morning trading, to $56⅝. **Richard Waters, New York**

FOOD

US groups beat forecasts

Sara Lee, the US food and consumer products group, yesterday beat expectations with a 10 per cent rise in after-tax profits to $227m in its third quarter to end-March. Fully diluted earnings per share came in at 46 cents, against 40 cents last time, and analysts' forecasts of 44 cents. Group sales for the quarter rose 2 per cent to $4.7bn.

Meanwhile, Quaker Oats, the cereals and drinks group, reported first-quarter operating profits from ongoing businesses of $112.9m, against even $113.1m last time, and sales ahead 1 per cent to $1.09bn. After-tax profits were $46.2m, compared with losses of $1.11bn – a result of divestiture and restructuring charges. Earnings per share, before unusual items, were 36 cents, compared with 24 cents, and 3 cents ahead of analysts' estimates. **Nikki Tait, Chicago**

PHARMACEUTICALS

Monsanto slips to $196m

Monsanto, the agricultural products, biotechnology and pharmaceuticals group, yesterday reported first-quarter profits of $196m from ongoing operations, against $206m previously. This translated into earnings per share of 32 cents, down from 34 cents, but 1 cent above analysts' estimates.

Operating profit from agricultural products was up to $291m ($176m after acquisition-related charges). Nutrition and consumer products made $382m ($397m) while pharmaceuticals made profits of $521m ($515m). **Nikki Tait**

CONSUMER PRODUCTS

Colgate-Palmolive results

A report on Colgate-Palmolive's first-quarter earnings yesterday failed to make clear that the company's revenues in Asia and Africa fell 10 per cent during the period, despite a 3 per cent increase in sales volumes in those regions. Sales for the company as a whole, as reported, grew 1 per cent, while volumes rose 6 per cent.

MacMillan sells paper unit to investment syndicate

By Scott Morrison in Toronto

MacMillan Bloedel, Canada's largest forest products group, said yesterday it was selling its paper operations to a Vancouver investment syndicate for C$850m (US$593m).

The company also reported first-quarter net earnings of C$16m, its first profitable three months after five consecutive quarterly losses.

The sale marks MacMillan's most significant move since Tom Stephens became chief executive last September. The company has been hit hard by a downturn in lumber sales in Japan.

Proceeds from the sale will pay down debt and fund a restructuring plan, under which it expects to shed 2,700 employees, about 20 per cent of its staff.

MacMillan had previously announced it would withdraw from groundwood paper and medium density fibre-board in order to focus on building materials and packaging.

Mr Stephens said he had considered spinning off the paper operations, but had concluded that an outright sale was a better option. The company has invested more than C$500m in its paper division during the past five years and said the sale would result in an after-tax loss of between C$35m and C$45m in the second quarter.

MacMillan's two British Columbia paper mills, its sales and marketing offices and two dams are to be acquired by a group of investors headed by Goepel McDermid, a Canadian brokerage. The company will be renamed Pacifica Paper and will retain its current management.

MacMillan earned C$16m, or 12 cents a share, in the first quarter, against a net loss of C$10m, or 9 cents, in the same period last year. Profits from continuing operations rose to C$9m from C$8m; analysts had expected losses. Revenue dropped to C$990m from C$1.1bn.

A sharp drop in solid wood sales was partly offset by an increase in prices of packaging products and steady demand for engineered lumber.

Federal to cut 4,200 jobs

By Nikki Tait

Federal-Mogul, the US automotive supplier which is being aggressively revamped under new chief executive Richard Snell, is to cut 4,200 jobs and close facilities as it integrates the recently acquired T&N business of the UK and the Chicago-based Fel-Pro group.

The redundancies represent more than 10 per cent of the newly-enlarged workforce, which stands at 41,000 following the $3bn T&N deal last year and the $720m Fel-Pro purchase in January. They do not include the jobs which will disappear when the group disposes of certain bearings businesses to meet competition requirements in the US, UK and Germany.

The company said it anticipated the latest restructuring would cost about $205m, but it was now expecting pre-tax cost savings from the combination of businesses of about $51m in 1998, $182m in 1999 and $235m by 2000. It had previously talked of synergy benefits of about $100m flowing from the T&N deal alone.

The restructuring – the second big overhaul since Mr Snell took up the reins – involves the closure of four manufacturing facilities, two after-market central warehouses, and five "in-country" warehouses.

To finance the T&N and Fel-Pro deals, Federal-Mogul took on considerable debt, and although it has begun to refinance this, it needs to achieve cost savings swiftly.

News of the reorganisation came as it announced a net loss of $7.2m for the first three months of 1998 – despite a $13.3m gain on a UK sterling currency option and forward contract – compared with a $13.9m profit.

However, Federal-Mogul said part of the loss resulted from charges related to existing Federal-Mogul businesses and special charges connected to the T&N deal.

The underlying profit was $29m, or 63 cents a share, against $14m. Revenues were $658m, against $486m.

The company's shares rose $1½ to $59⅞ in early trading.

MALAYSIA M$368m DEAL WILL CREATE COUNTRY'S SECOND-LARGEST COMMERCIAL BANK

Rashid Hussain agrees Sime deal

By Sheila McNulty in Brunei

Rashid Hussain, one of Malaysia's top financial groups, announced yesterday it would pay M$368m (US$97.7m) to buy troubled Sime Bank and merge it with RHB Bank to form the second-largest commercial bank in Malaysia.

The effort will involve a complicated fund-raising scheme to invest M$1.98bn in recapitalising the merged institution and putting M$370m toward the rest of the group.

The recapitalisation includes the issue of M$1bn in RHB Bank tier 1 irredeemable non-cumulative preference shares, to which Phileo Allied, a small but well-connected Malaysian financial concern, has agreed to subscribe. This part of the deal interested analysts, who wondered who was behind the Phileo investment.

Song Seng Wun, regional economist at GK Goh Research, suspected it could be "linked back to those in the corridors of power". Analysts have been watching for signs of government help for the RHB deal with Sime.

The news that after weeks of closed-door talks, an agreement had been hammered out and Sime Bank would be saved, helped lift the benchmark KLCI index 1.4 per cent to close at 628.24 points. The shares of Rashid Hussain and its subsidiaries were suspended.

Rashid Hussain agreed to buy Sime Bank from Sime Darby and KUB Malaysia after Sime Bank reported a pre-tax loss of M$1.81bn for the six months to last December. Bank Negara, the central bank, revealed Sime Bank needed M$1.2bn to meet capital requirements. The losses were so heavy that the authorities said they would investigate the cause.

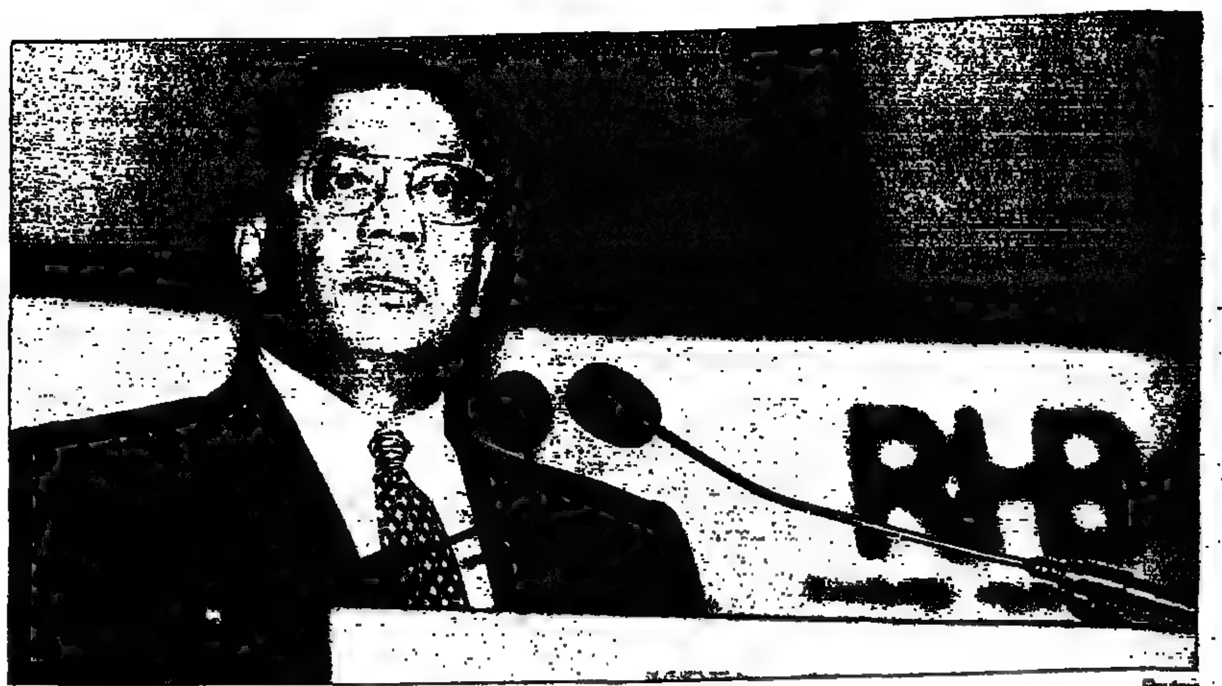
Rashid Hussain, owner of the group that bears his name, said Sime Bank was a solid investment that made RHB Bank the second largest commercial bank in Malaysia with total assets of M$61.9bn. "It is my job to protect shareholders' interests," Mr Rashid said. "If, in the process, I do national service, then that is fine."

The recapitalisation will include the placement of 77.1m new Rashid Hussain shares for M$370m and the issuance of M$979m new RHB Bank shares to RHB Capital for the acquisition of Sime Bank and RHB Finance.

The expanded share capital of Rashid Hussain will see increased institutional investors, which will include Kumpulan Wang Amanah Pencen, the civil service pension fund, taking a 5.8 per cent stake; and the national pension fund, the Employees' Provident Fund, retaining its 11.1 per cent. The Malaysian authorities played down this involvement.

"This is a private deal," said Anwar Ibrahim, finance minister and deputy prime minister.

"I think this agreement is in line with the government's policy of not burdening public funds."



Rashid Hussain: eponymous owner argues lossmaking Sime Bank is a 'solid investment' — Reuters

Mazda expects to beat expectations

By Paul Abrahams in Tokyo

Mazda, the Japanese automotive group in which Ford of the US holds a 33.4 per cent stake, surprised the market yesterday when it announced full-year results *would be above expectations.*

Gary Hexter, Mazda's senior managing director, said that the group would make a non-consolidated operating profit in the 12 months ended March 31 – its first in five years.

Mazda said it expected to report net profits of Y11.5bn ($88m), compared with Y6.1bn achieved last year, on sales down 1.1 per cent at Y142bn.

The results, due to be announced next month, are in stark contrast to those of most other Japanese automotive groups where profits *are expected to be down* sharply.

At group level, Mazda expects a loss of Y7bn on sales of Y2,000bn. Mr Hexter blamed the loss on high product development costs, the lack of gains on the group's securities holdings and Y6bn of write-offs on Asian stocks.

Mazda owns 8 per cent of Kia Motors, the bankrupt South Korean automotive assembler.

Mr Hexter said he was confident a consolidated profit for next year would be forecast next month and that *a key objective* would be profitability in the US.

However, he said no dividend would be paid for the past fiscal year.

The announcement came after the market closed, and the shares finished up just Y1 at Y326, compared with a 20-year low of Y205 in January.

"We set out this year to grow the business, make substantial progress in structural reform, and improve profitability. We have achieved all three," said Mr Hexter.

The group has increased *market* share in Japan from 4.8 per cent to 5.1 per cent, although the entire market fell 14 per cent to 6.3m units.

In Europe, Mazda's market share has risen from 1.3 per cent to 1.4 per cent.

The predicted improvement in non-consolidated operating profits – Y31.2bn compared with a loss of Y5.3bn – was mainly due to aggressive cost-savings of Y45bn, currency gains of Y15bn and strong exports worth Y5bn, said Takashi Yamanouchi, managing director.

Mr Hexter said he was particularly proud that cash flow of Y33.6bn had been achieved in spite of a peak in capital spending on new models.

This had allowed borrowings, net of cash, to be reduced to Y270bn.

In the past financial year, the company repaid Y90bn of maturing bonds.

NEWS DIGEST

INDONESIA

Provisions blamed for Bank Negara's 6% decline

Bank Negara Indonesia, the country's largest, yesterday reported a 5.9 per cent drop in year-end profits and quadrupled its bad loan provisions, but analysts said the bank was understating its problems. BNI, which is 75 per cent state-owned, reported net profits of Rp315.2bn ($38.9m), down from Rp335.1bn in 1996. Net profits had risen 20 per cent in the first nine months, suggesting a sharp deterioration in the fourth quarter of 1997 as Indonesia's overcrowded and under-capitalised banking sector collapsed.

Bad loan provisions were Rp689.7bn, but analysts said its ratio for non-performing loans went up only from 6.1 per cent to 6.8 per cent. "I think they're understating the problem," one analyst said.

The bank opted to cut dividends to boost equity, but at 8.31 per cent its capital adequacy ratio fell short of the required 9 per cent. This ratio is not enforced as most banks are close to collapse. The government also modified its plans for raising the minimum capital requirement to Rp1,000bn, requiring Rp250bn instead. **Sander Thoenes, Jakarta**

AUSTRALIA

Ford unit slips 17%

The Australian unit of Ford Motor of the US reported a 17.4 per cent fall in net profit for 1997 to A$179.5m (US$117m) after sales fell 6.8 per cent to A$3.13bn. Ford Australia's total of vehicles sold fell 1.5 per cent to 130,200 and market share dipped 2 per cent to 18 per cent. This compares with a high of 25.7 per cent in 1988.

"The decline reflected the increasingly tough market conditions and the pressure on margins caused by intense price *competition," said David Morgan, president.*
Reuters, Melbourne

CARMAKERS

Astra blames fall on debt

Astra International, Indonesia's leading carmaker, yesterday blamed a 1997 net loss of Rp279bn ($34.4m) on the cost of servicing $1.7bn in off-shore debts. A 29.2 per cent jump in revenues to Rp15,900bn and a rise in market share to 49.4 per cent could not offset the impact of a sharp rise in interest rates and depreciation of the rupiah, the company said. Astra also blamed unspecified forward swaps on dollars for its poor net profits. Operating profits rose 43.1 per cent to Rp1,526bn but financing costs were Rp1,998bn.

Astra said it had committed to cancel all capital expenditure except for its agribusiness, mainly profitable palm oil plantations. **Sander Thoenes**

THAILAND

Oil group reports record loss

Thai Petrochemical Industry company yesterday reported Thailand's worst result with a Bt69.26bn ($1.76bn) loss last year. The performance underlined the importance of the controlling Leophairatana family coming to a debt restructuring agreement with its creditors.

An adviser to the group, which stopped servicing its debts months ago, said a delayed agreement might be reached with *its 120 creditors around mid-year.*
William Barnes, Bangkok

Price crucial to success of Acer, SNI marriage

By Laura Tyson in Taipei

Stan Shih, chairman of Acer, the Taiwanese personal computer maker, described the strategic alliance announced yesterday with Germany's Siemens Nixdorf Informationssysteme in familial terms: "We've just gotten engaged and we're going to get married soon."

Observers are wondering whether the match between two PC makers struggling to build brand name sales amid falling margins will turn out to be an ill-fated shotgun affair or a marriage made in heaven.

"Everything depends on the price – if it's too high, then it's negative news for Acer, but if it's low then it's positive," said a Taipei-based electronics analyst. "But at the moment we just don't have enough information to make an evaluation. We don't even know if the deal will be finalised."

Mr Shih declined to reveal how much Acer would pay for the SNI plant, which is to be Acer's main manufacturing facility in Europe and a key link in the group's global PC production network spanning more than 30 countries. But he did say that it would be cheaper than building a greenfield plant.

Propelled by the soaring popularity of low-priced PCs, Acer will use the acquisition as part of its drive to raise its production volume to boost economies of scale and gain market share.

Acer is now the world's third biggest producer of PCs, including those made under contract to other PC makers and those with the Acer marque. The group ranks eighth worldwide in brand sales, but its market share in the US, the most crucial market, is under threat.

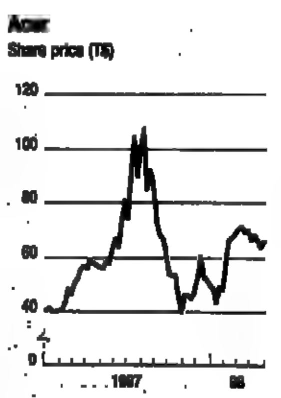
Gaining market share in the US is extremely difficult because of ferocious competition from stronger brands. Instead, Acer appears to be trying to take on the competition in Europe, where the chances for success are greater. This strategy has already paid off in emerging markets, where in many countries – such as Mexico, where Acer last week broke ground on a US$400m assembly plant – Acer is the leading PC brand.

But Acer's aggressive pursuit of brand name carries risks. "As long as Acer's brand sales are in the top 10, fine. But if Acer succeeds in getting into the top five, I believe that its OEM customers will not want to do business any longer because Acer will be competing with them," said a senior executive at a Taiwanese notebook computer maker. "What if there's a shortage in key components? Acer might give their own brand priority."

There is no danger of that yet, however. Initially the SNI plant will continue to produce under the SNI brand, and Acer plans to add its own brand and original design – or contract – manufacturing to the production mix. This optimal combination has yet to be determined.

Ever the optimist, Mr Shih holds high hopes for the venture.

"Our previous acquisitions were made to fill in our weaknesses, but this time we are adding to our strengths," he said.



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PRIVATISATION CHAIRMAN OF FRENCH INSURER HOPES SALE WILL RESULT IN NO NET CHARGE TO TAXPAYERS

Cost of GAN rescue 'might be repaid'

By Andrew Jack in Paris

The head of GAN, the troubled French state-owned insurer, yesterday indicated that the cost of the FFr20bn-plus ($3.3bn) government-backed rescue plan for the group would be fully reimbursed once it was privatised in June.

Didier Pfeiffer, the chairman appointed in 1996, said he "hoped" the value of the sale would result in "no net charge" to French taxpayers, while stressing that he could not predict the outcome.

The value of GAN has risen following last week's sale of its controlling stake in the CIC banking network for a higher price than expected, and at a time of intense restructuring in the financial services sector world-wide.

However, the sell-off comes after extensive restructuring in recent years at GAN, and a package of a new capital and state-backed guarantees valued at up to FFr24bn approved by Brussels in exchange for a rapid privatisation.

Mr Pfeiffer was speaking during a presentation of GAN's 1997 results, which showed a strong recovery for the insurer, with net income of FFr647m against losses in 1996 of FFr5.7bn.

The figures included a sharp drop in performance from its international divisions, with profits falling from FFr331m to FFr43m, and a more modest decline in its French life assurance business from FFr825m to FFr753m.

As part of its pre-privatisation plan, GAN reported a capital gain of FFr1.2bn by selling off its UK life division, GAN Life. However, it was also forced to take a higher than expected one-off charge of FFr2bn, including FFr1.4bn related to pensions mis-selling and FFr650m in property activities.

GAN said that the sale this month of a two-thirds stake in CIC to Crédit Mutuel for FFr13.3bn would lead to a net capital gain of FFr1.2bn for the holding company, and of FFr300m for GAN SA, the insurer which is being privatised.

The "data room" of confidential financial information on GAN open to bidders closed last week, and five candidates are believed to be considering bids: AIG and GE of the US, Swiss Life, the mutualist insurer Groupama of France, and the European insurance network Eureko.

Deadlines for bids close on May 14, and the state privatisation commission may announce an intermediate short-list of finalists ahead of a definitive decision scheduled for June 19.

A number of analysts argue that GAN may still require a substantial new recapitalisation and heavy restructuring after its sale. Some have suggested that the sell-off price may be in line with its capital, which stood at FFr15.5bn at the end of 1997.

Mr Pfeiffer stressed that GAN now was "particularly financially healthy", with total debts in 1998 of FFr2.5bn after asset sales, compared with FFr10.2bn in 1996. He set an objective of a return on equity of 10 per cent for 1999.

S African gold groups decline

By Victor Mallet in Johannesburg

Anglogold, the world's biggest gold mining company being formed out of the gold interests of Anglo American, said yesterday its mines had increased gold operating profit by 5 per cent in the quarter ended March 31 to R528.4m ($104.7m), but after-tax profit fell 17 per cent to R258.4m.

Anglogold sought to reduce costs and cut back on the mining of low-grade ore to compensate for the low gold price, and output fell 13 per cent to 50,261kg.

Anglogold said it achieved its aggregate target for cash costs of $250 an ounce for the first time. Western Deep Levels performed exceptionally well, and the east mine there recorded cash costs of only $163 an ounce.

The results include Vaal Reefs (now renamed Anglogold, which is to be the listed vehicle bringing together all the Anglogold mines), Western Deep Levels, Freegold, Elandsrand and Ergo.

● Gold Fields, the new group combining the gold mines of Gencor and Gold Fields of South Africa, had a lacklustre maiden quarter. Operating profit was R21.8m, the loss after tax R5.2m and the total loss after capital expenditure and before exceptionals R120.6m, although exceptional items gave a net profit of R26m.

Analysts said the figures showed the old GFSA mines were more badly managed than previously thought, but this was being remedied. Between 60 and 70 per cent of the ore mined at the Driefontein and Kloof companies in the March quarter was "unpay" - or lacking in gold - Gold Fields said.

Four bids received for Crédit Foncier de France

By Andrew Jack

Four groups of investors including two US financial institutions have put forward bids to invest in Crédit Foncier de France, the state-controlled property lender announced yesterday.

Separately, the French government indicated it might modify the conditions of the bids and arrange a takeover of Crédit Foncier that included a number of the potential candidates taking equity stakes.

GMAC Commercial Mortgage Corporation, a division of General Motors, has tendered alongside Bass, a group of Texan investors, in the competition for Crédit Foncier, following closure of bids on Wednesday.

GE Capital, a division of General Electric, has also put in a bid, reflecting its growing presence in Europe.

The names were confirmed yesterday by Jérôme Meyssonnier, the "governor" of Crédit Foncier, who said in a statement that the Caisse des Dépôts, the state-controlled financial institution which holds Crédit Foncier's shares, had informed him of four bids.

A third bid has come from the Caisse d'Epargne savings network. Some analysts argue that might provide a way for the institution to spend some of its surplus reserves.

The fourth bid comes jointly from the French post office aligned with GMF, a mutual company established for civil servants, which between them plan to take a 40 per cent stake.

The post office bid risks provoking the ire of France's commercial banks, which accuse it of having competitive advantages including a favourable tax regime and opaque accounting.

It is also believed that CNP, the state-controlled life assurance group, is also willing to become a minority investor in Crédit Foncier, taking up to 10 per cent alongside other shareholders. The move would reflect its existing commercial links with both the Post Office and the Caisse d'Epargne.

One person close to the discussions suggested yesterday that the deal was likely to involve one of the US institutions, but would have to be accompanied by a "tricoleur", or partially French solution, to make it politically acceptable. That would mean minority stakes by the CNP and either the post office or the Caisse d'Epargne.

Dominique Strauss-Kahn: "latitude to rearrange the marriages"

Dominique Strauss-Kahn, economics, finance and industry minister, said yesterday a decision was likely before the end of June, and stressed that there was "latitude for the government to rearrange the marriages" of the different investors.

Siemens receives mixed reaction to Acer deal

By Andrew Fisher in Frankfurt

Siemens' decision to bundle its data and communications businesses comes as it is being goaded by analysts and investors to push ahead more vigorously with its restructuring. Some thought it rated no more than half a cheer.

The move, including a deal with Acer of Taiwan to take over production of Siemens' personal computers, is aimed at strengthening the German electronics group's position in the fast-converging market for integrated software and systems solutions.

The new information and communications (I&C) segments will span the computer, telecoms and software industries, taking in internet applications, outsourcing and networking engineering. With sales of nearly DM50bn ($28bn), I&C segments will account for 40 per cent of Siemens' total business.

But the move also marks the end of a traumatic chapter in the group's computer history. Siemens rescued ailing Nixdorf Computer in 1990 after it had failed to heed signs that its proprietary technology had been overtaken by the move to common software standards.

Siemens Nixdorf Information systems took several years to move out of the red and caused huge management headaches. Today, although Germany's largest PC maker with a 15 per cent market share – and more than 5 per cent in Europe – the division is still too small to survive in the bruisingly competitive world market.

By linking with Acer, Siemens has decided to stay in PCs rather than sell the business. Acer, one of the world's largest PC producers, will take over the manufacture of Siemens Nixdorf PCs in Augsburg, west of Munich. But the PCs will carry only the Siemens name after the deal goes through mid-year.

While analysts broadly welcomed the move, some thought selling the PC business would have been preferable.

"This is along the road to a sale," said a UK-based analyst. Hans Huff, electronics analyst at Berliner Bankgesellschaft, said: "Selling this part of SNI [PCs] would have been more radical, but image reasons probably played a part in the decision."

Adrian Hopkinson, technology analyst at Westdeutsche Landesbank, said the overall I&C reorganisation made sense, however.

Buoyant order volumes at ABB

By William Hall in Zurich

ABB, the international electrical engineering conglomerate, grew first-quarter net income 9 per cent to $258m, and allayed recent market concerns about its exposure to troubled Asian economies by reporting a double-digit increase in underlying order volume.

The results, which came a day after Germany's Siemens issued a profits warning, suggests that ABB's new management team, led by Göran Lindahl, is starting to succeed in its attempt to accelerate the group's recent lacklustre rate of sales growth, despite the problems in Asia.

The shares, which have outperformed the market this year, rose SFr45 to SFr2,500 yesterday in a falling Swiss market.

ABB said growth in certain emerging markets, especially in the Middle East, Africa and Latin America, more than compensated for lower demand in Asia, where the group's biggest project, Malaysia's Bakun Dam, has been indefinitely postponed.

In western Europe, markets for standard products maintained a positive trend, while demand for large projects remained low. In central and eastern Europe demand was unchanged, while North America showed good growth.

Revenues fell 7 per cent to $6.5bn and the order intake was 1 per cent lower at $9bn. Revenues were unchanged in local currency terms.

ABB said that taking into account disposals and acquisitions, order volume in the quarter rose 10 per cent and revenues by 3 per cent.

NEWS DIGEST

TELECOMMUNICATIONS

Deutsche Telekom loses second board member

Deutsche Telekom, the German telecommunications group under growing pressure from domestic rivals, yesterday announced the departure of its second board member this year.

The group said Herbert May, who had wide-ranging responsibilities until the beginning of this year for business clients, was standing down for "personal reasons". Mr May, 49, also oversaw the drafting of crucial "interconnection" agreements by which rivals link up with Deutsche Telekom networks. Deutsche Telekom has come off badly in negotiations with the telecoms regulator over the prices it can charge competitors using its services.

Mr May's departure may add to fears that internal power battles are distracting executives. Yesterday's announcement followed January's premature departure of Erik Jan Nederkoorn as international director. **Ralph Atkins, Bonn**

SPAIN

BT opposes Airtel plans

British Telecommunications and four other shareholders in Airtel, the Spanish mobile telephone operator, have reached a pact to fend off plans for a link-up with the country's new fixed-line carrier Retevisión. Together with AirTouch of the US, the leading partner in Airtel, BT has mustered support representing almost 56 of the capital. The five partners said their shareholders' agreement was designed to secure "stability" and reinforce the company's independent position.

The pact is aimed at countering plans by other Spanish shareholders in Airtel, notably the BCH bank group and the Endesa and Unión Fenosa power companies, which are also leading partners in Retevisión alongside Telecom Italia.

Airtel controls 28 per cent of the cellphone market in Spain. BT is its second largest shareholder with almost 16 per cent. **David White, Madrid**

BANKING

UBS warns on Asia

UBS, the Swiss bank that has lost money for two years running after making heavy provisions and restructuring charges, warned yesterday that the crisis in Asia was likely to lead to additional provisioning in 1998. Mathis Cabiallavetta, chief executive, yesterday told the bank's last annual meeting before its merger with the smaller Swiss Bank Corporation that adequate provisions had been set aside for the risks identified at the end of 1997, but the "counterparty risks are more significant right now than the country risks". A prolonged crisis must be expected to affect the solvency of clients in the region. **William Hall, Zurich**

NORWAY

Norsk Hydro falls 28%

Norsk Hydro, Norway's largest quoted industrial group, yesterday blamed low oil and fertiliser prices for a 28 per cent slide in first-quarter operating profits. Pre-tax profits tumbled from NKr3.1bn to NKr2.3bn ($309m) and net profits from NKr1.5bn to NKr1bn. The figures beat market expectations and Norsk Hydro shares jumped NKr15.50 to NKr374.

Norsk Hydro said improved profitability in its aluminium and petrochemicals operations failed to offset an overall deterioration. Group turnover advanced from NKr23.2bn to NKr25.4bn. **Greg McIvor, Stockholm**

FRANCE

Rhône-Poulenc cuts RPR jobs

Rhône-Poulenc of France yesterday announced more than 400 job losses at its wholly-owned Rhône-Poulenc Rorer pharmaceuticals subsidiary.

The sites affected will be RPR's two headquarters in Antony, France and Collegeville, US, as well as the Vitry research and manufacturing facilities in France. The company said the move was to improve productivity. **David Owen, Paris**

CHEMICALS ASIAN CRISIS AND STRONG POUND CUT £33M FROM FIRST-QUARTER PROFIT

ICI hit by paints war in US

By Roger Taylor

Imperial Chemical Industries yesterday blamed sterling, Asian economic difficulties and a price war in the US paints market for undermining profits.

Alan Spall, finance director, said currencies and the Asian problems together had cut £33m ($55m) from first-quarter profits. However, he added that the underlying performance was strong. "The quality of what we are doing will begin to show as sterling falls," he said.

The paints business, which includes the Dulux brand, was hit by fierce competition in the US from its main rival Sherwin-Williams. This was triggered by ICI winning business from US retailers such as Home Depot. Mr Spall said: "It is not surprising that as we try to take market share there is pressure on prices."

The paints business showed flat profits and falling sales year-on-year for the first quarter of 1998. Despite a 4 per cent increase in volume, sales dropped to £472m (£492m) and trading profits were unchanged at £20m.

Paints are a core market for ICI which recently spent £350m buying the coatings businesses of Williams, the Uk security group. However, the company is understood to have ruled out bidding for Courtaulds, the coatings and fibres business which is subject to an agreed £1.8bn offer from Akzo Nobel of the Netherlands.

Concerns about the trading environment for ICI have prompted analysts to downgrade expectations over recent weeks. The consensus forecast for full year pre-tax profits has dropped about 3 per cent over the last month to £563m. The shares closed down 1p at £10.84 yesterday.

Group turnover fell from £2.4bn to £2.3bn but profits before exceptionals rose 24 per cent from £65m to £87m. The change was largely because of the alteration in ICI's portfolio of businesses following the acquisition of Unilever's speciality chemicals businesses last year and the sale of much of its industrial operations.

It said the new businesses had lifted underlying profits by 10 per cent after adjusting for exchange rate movements.

Exceptional profits on sales of industrial businesses lifted the pre-tax figure to £140m. ICI said it was confident of completing sales of its other industrial businesses, including the petrochemicals plant at Wilton, before the end of the year.

The company said yesterday that adapting its computer systems for the millennium would cost it £80m, of which about half had already been spent.

F&C to wind up Germany trust

By James Mackintosh

Foreign & Colonial German investment trust yesterday proposed winding itself up and allowing investors to transfer to its sister trust, F&C Eurotrust, which invests across the Continent.

Foreign & Colonial Management, which runs both trusts, said the move was prompted by the planned launch of the euro.

David Thomson, chairman of the £80m ($134m) F&C German, said the arrival of the euro marked a milestone along the road to a unified Europe: "A broader investment policy [is] more suited to the new European environment." Analysts welcomed the move. Andrew Bell at Credit Suisse First Boston said: "The single-country fund is dead in Europe. Investors are increasingly looking Europe-wide."

Several other trusts in the sector have been liquidated, wound up, or taken over, although only one – Second Market Investment Company, which specialised in France – has adopted a pan-European stance explicitly because of the euro.

F&C German is trading at a much wider discount to net asset value than Eurotrust, so shareholders stand to gain. There will be a cash alternative, offering 98 per cent of net asset value after costs, which F&C estimates at 1.4 per cent of net assets.

F&C said 45.5 per cent of shareholders and 33.5 per cent of warrantholders had agreed to the winding-up.

Unilever's seed side up for sale

By Christopher Swann

Unilever, the Anglo-Dutch consumer group, yesterday said it would sell Plant Breeding International Cambridge, its seed business, launching what analysts believe will be a lively auction.

PBIC is a conventional plant breeder which produces Europe's leading winter wheat strain. But it is expected to attract biotechnology companies producing genetically modified products which are seeking the best crop on which to apply their technology.

Possible buyers include chemical and pharmaceuticals groups with interests in biotechnology such as Monsanto and Dupont of the US, Novartis of Switzerland or Schering of Germany. Zeneca, the UK pharmaceuticals group, is also a possible bidder.

The plant breeder was acquired by Unilever from the UK government in 1987 for £66m. Last year its turnover was £16m ($27m), but analysts predicted it would fetch a significant multiple of that. Monsanto, the US agri-products and pharmaceuticals group, last year bought Holden's Foundation Seeds of Iowa for $1.2bn – more than 22 times sales. High prices were also paid for Plant Genetic Systems, the Dutch-Belgian concern purchased by Hoechst Schering AgrEvo in 1996, and for Mogen, the Dutch plant biotechnology company picked up by Zeneca for 11 times sales last year.

Vero agrees £94m offer from APW

By Susanna Voyle

A US bidding war looked set to break out last night for Vero, the UK-based supplier to the electronics and telecommunications industries, which said it had been left vulnerable by the strength of sterling.

APW, the Milwaukee-based group, yesterday announced a £94.4m ($157.6m) agreed cash bid for Vero, which makes and distributes racks and enclosures used to house cables and electronic equipment.

However, Pentair, the US industrial company, last night said it was considering launching a bid, which would top APW's 157p a share offer.

The APW bid represents a premium of 32 per cent to the price the day before Vero said it was in bid talks.

Brian Gay, Vero's managing director, said he was disappointed to be selling a business he had been involved with since 1965. But global consolidation had left medium-sized companies such as Vero at a disadvantage, he said. The group was then further damaged by the strong pound.

"The strength of sterling certainly affected sentiment towards smaller companies. That was the reason for the share price drop before Christmas and that made us extremely vulnerable."

Mr Gay's 3.5 per cent stake in Vero – built when he led a management buy-out from BICC in 1994 – is worth £3.3m ($5.5m) under the APW offer. If it succeeds, Mr Gay will stay on as managing director of Vero.

Mr Gay said Pentair was one of the companies which had been driving global consolidation – buying the Schroff business in Germany and Transrack in France.

APW bought Zero – a US company directly comparable to Vero – at the start of this month.

Richard Sim, APW chairman and chief executive, said his company was trying to build global capability in electronic enclosures. Buying Vero would give it strength in Europe and Asia. There would be no job cuts among Vero's 1,700 employees. APW would fund the acquisition from its loan facility.

Vero is advised by SBC Warburg Dillon Read and Cazenove while Schroders is adviser to APW.

COMMENT

Energy Group

The Takeover Panel's move to suspend the bid timetable for competing offers for the UK's Energy Group is eminently sensible. With two competing bidders, PacifiCorp and Texas Utilities, still in the fray, it is wise to pre-empt a possibly unseemly rush of bids at the last minute of Day 46, the moment by which final bids have to be submitted. Both options being considered by the Panel – demanding sealed envelope bids not open to revision, or instigating an open auction – seem fair.

Clearly there are dangers in changing the rules of engagement mid-way in a takeover battle. Some Energy Group shareholders may conceivably still be entertaining hopes that a third party will enter the bidding after Day 46. This option seems likely to be closed by a sudden death play-off.

Those who pushed the shares up another 10p to 887p yesterday in the hope of an exciting auction may have been too hasty. Both companies are stretched to the very limit of what they can afford to pay without destroying value.

UK mortgage market

The likes of Halifax, Woolwich and Alliance & Leicester won the demutualisation battle. But are they in danger of losing the mortgage war? Halifax this week complained of unrelenting competition and warned it would take longer than expected to reclaim its usual share of the market. Bank of England lending figures for January and February show the mutual building societies gaining a significant share of the mortgage market at the expense of the converted societies.

The damage is being done at the net new lending level, rather than the gross. The banks are having a harder time holding on to their existing customers – hence the rise in the hitherto unglamorous remortgage market, which now accounts for 25 per cent of the total mortgage market.

But it is disingenuous to paint this as a victory for mutual ownership. After all, Bank of Scotland and Northern Rock are scoring well on their net new lending figures. The reason is a combination of lower costs and innovative products. Still, it could be worse for the banks. We have yet to see a full-blooded price war or margin collapse. Given the mature state of the market, Halifax would do well to resign itself to the fickleness of some of its existing customers, and use its cash to expand in faster growing ares, such as life assurance and consumer credit.

Diageo arm to shed more brands

By James Buxton in Edinburgh

United Distillers & Vintners, the spirits arm of Diageo, is likely to sell a further six brands from its worldwide portfolio of products because they were not making an "economic profit," Jack Keenan, chief executive, said yesterday.

Mr Keenan refused to name the "six culprits" but indicated they were likely to be among UDV's collection of brandies, bourbons and rums, and not its whiskies. He said the brands involved would probably be locally distilled spirits. UDV's operations straddle the US, South America, France and Germany.

"We are looking at the brands in the portfolio on an economic profit basis, trying to determine the correct size of our market participation," he said at a briefing in Edinburgh from where UDV manages its whisky production.

UDV, formed by combining United Distillers and International Distillers & Vintners, the spirits arms respectively of Guinness and Grand Metropolitan, is reorganising after last year's merger, which is aimed at achieving savings of £195m ($325m) over three years. Diageo has said this would entail shedding 2,000 jobs.

Details of the changes should be announced in late June or early July. The disposal of unwanted brands might come later. It is widely expected that there will be closures among UDV's whisky bottling operations in Scotland, which Mr Keenan said had overcapacity even after its recent sale to Bacardi of the Dewars whisky brand.

A Scotch whisky task force has been set up to co-ordinate whisky operations. Mr Keenan said UDV was setting up "brand homes" in Scotland for Johnnie Walker, J&B and the group's malt whiskies.

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Alpha Airports	Yr to Jan 31	702.2	(664.9)	15.5♠	(7.8)	4.82	(8.37)	3.5	July 10	3.5	5.34	5.25
Anmescap	3 mths to Mar 31	162.1	(84.8)	55.9	(29.7)	8.5	(5.3)	-	-	-	-	7
Austin Reed	Yr to Jan 31	82.6	(78.2)	7.81♠	(6.77)	17.1	(14.2)	5	July 1	4.25	7.5	6.5
Dana Petroleum	Yr to Dec 31	10.4	(0.053)	0.324L♠	(0.89)	0.13L	(0.21L)	-	-	-	-	-
Dennis Group	Yr to Jan 31	288.5	(262.2)	19.5	(17.4)	[illegible]	(20.6)	6.7	July 31	6.1	9.75	8.9
Elan $	3 mths to Mar 31	134.7	(69)	424L♠	(37.5)	3.97L†	(0.38)	-	-	-	-	-
Felkes Group	Yr to Dec 31 ★	38.5	(40.4)	5.85	(6.01)	13.74	(14.43)	1.329	July 1	1.218	2.092	1.902
Forminster	53 wks to Jan 31♦	33.6	(19.4)	4.24	(1.25♥)	10.19	(4.48)	2.15	June 8	0.7	3.37	1.92
Hughes(T.J)	53 wks to Jan 31☆	75	(63)	3.01	(1.82)	10.17	(6.14)	2.4	May 4	2.08	3.37	2.92
Nextleigh Tech	Yr to Dec 31	83.6	(92.9)	11.5♠	(11.8♠)	9.16	(9.04)	1.7	July 1	1.6	3.1	2.93*
ICI	3 mths to Mar 31	2,286	(2,438)	140♥	(70♥)	11.7	(4.7)	-	-	-	-	32 大
Tie Rack	Yr to Feb 1 §§	104.2	(105.1)	5.08	(8.79)	6.21	(10.73)	1.4	July 28	2.75	2	3.35

Investment Trusts		NAV (p)		Attributable Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Aberdeen Pref Inc	21 mths to Feb 28§	116.14	(81.29)	5.81	(3)	24.36†	(15.79)	9.95	‡	7.25	20.8	17
F&C Pacific	Yr to Jan 31	136.9	(183.5)	4.41	(4.83)	1.92	(2.1)	1.05	June 4	1.05	1.05	1.85
Gartmore British	3 mths to Mar 31	186.5	(146.2‡‡)	0.491	([illegible])	2.4	(1.89)	2.375 大	May 30	2.25	-	9
Shires Smaller	3 mths to Mar 31	232.8	(190 ‡‡)	0.102	(0.109)	0.59	(0.56)	1.4	June 30	1.375	-	6.2

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. ♠After exceptional charge. ♥After exceptional credit. †On increased capital. ΦAim stock. $US currency. ★Comparatives restated. ☆Comparatives for 52 weeks. §Comparatives for year to May 1996, for Aberdeen Preferred Securities. ‡Already paid. ♦Comparatives for 9 mths to Jan 31 1997. *After adjusting for scrip issue. §§Comparatives for 53 weeks. ‡‡At Dec 31 1997. 大Foreign income dividend.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

½ hour period ending	Provisional Price for Trading on [illegible]: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh	TS use of System price £/MWh
0030	15.68	16.09	16.09	0.00
0100	15.68	16.09	16.09	0.00
0130	15.70	17.97	17.88	1.41
0200	16.51	17.97	17.88	1.41
0230	16.51	16.09	16.09	0.00
0300	16.51	16.08	16.08	0.00
0330	16.51	16.08	16.08	0.00
0400	16.51	16.08	16.08	0.00
0430	16.51	16.05	16.05	0.00
0500	16.22	16.04	16.04	0.00
0530	15.25	16.00	16.00	0.00
0600	15.40	16.02	16.02	0.00
0630	16.25	16.03	16.03	0.00
0700	15.80	16.07	16.07	0.00
0730	18.46	17.60	17.50	1.41
0800	23.62	29.45	29.35	1.41
0830	33.67	29.46	29.35	1.41
0900	34.57	29.46	29.35	1.41
0930	35.05	29.46	29.36	1.41
1000	35.18	40.44	40.34	1.41
1030	35.23	30.58	30.47	1.41
1100	35.28	30.58	30.47	1.41
1130	35.82	21.92	21.81	1.41
1200	35.31	21.92	21.81	1.41
1230	27.25	21.92	21.81	1.41
1300	23.68	21.92	21.81	1.41
1330	22.76	18.70	18.59	1.41
1400	33.18	18.70	18.59	1.41
1430	66.45	16.08	16.08	0.00
1500	66.37	16.07	16.07	0.00
1530	21.08	16.07	16.07	0.00
1600	20.80	16.05	16.05	0.00
1630	20.81	16.09	16.09	0.00
1700	20.82	18.70	18.59	1.41
1730	20.79	19.45	19.35	1.41
1800	32.16	19.45	19.35	1.41
1830	32.14	18.70	18.59	1.41
1900	32.13	27.44	27.34	1.41
1930	32.13	38.15	38.05	1.41
2000	32.13	29.53	29.42	1.41
2030	15.85	27.43	27.32	1.41
2100	33.66	19.45	19.35	1.41
2130	33.65	18.67	18.56	1.41
2200	33.66	17.44	17.34	1.41
2230	15.50	17.44	17.34	1.41
2300	15.50	26.38	26.28	1.41
2330	15.50	16.99	16.99	0.00
2400	15.40	16.02	16.02	0.00

Prices are determined for every half-hour in each twenty-four hour period. [illegible] ©Energy Settlements and Information Services Limited

CONTRACTS & TENDERS

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INTERVIEW BOB POZEN, FIDELITY

Teams shine as the star culture fades

Jane Martinson and **John Authers** on the man behind a year of change at the world's largest fund manager


Pozen: 'I had to earn people's respect'

On a clear day, visitors to Bob Pozen's office in the headquarters of the world's largest fund manager can see all the way across Boston to Harvard University.

In the past year, since being appointed head of Fidelity Investment's fund management arm, Mr Pozen, 51, has sought to bring the company closer to his alma mater. "I hope people feel a better sense of collegiality now," he says.

"Collegiality" and "teamwork" are words that have never been associated with Fidelity. The company, which manages more than $700bn in assets, built its reputation on the back of star fund managers such as Peter Lynch, whose individualism was a central selling point. But by the time Mr Pozen was promoted from the company's most senior lawyer to heading the investment division last April, the star culture had lost some of its shine.

The group's investment performance had declined seriously and it had lost market share. For the first time in five years it failed to lead the industry in attracting new investment. There were fears about a lack of control when Jeffrey Vinik, manager of Magellan, the company's largest fund, took a 20 per cent stake in bonds, in an unsuccessful bet that the equity market would fall, and then left to start his own company. Magellan underperformed the S&P 500 for four years.

Mr Pozen, who had been with Fidelity for 10 years, moved to restore investor confidence. In the past year he has closed four funds to new investors, including Magellan, and introduced tighter controls.

Closing funds and dividing some of the assets managed by one person was seen as tacit recognition that sheer size was making outperformance difficult.

Mr Pozen says the rapid growth of Fidelity had created problems: "We had grown very quickly over five years. In a sense, when you grow that quickly you can let the collegiality and the esprit get away from you." In trying to recreate that esprit de corps, the company started to offer free lunches four or five days a week to provide a forum for discussion. It also implemented "extremely vigorous" quarterly reviews and monthly discussions, which included details of a company's peer group or a portfolio's overall construction. Fidelity, with its emphasis on bottom-up stock picking, had previously left many of these decisions up to individuals.

'It is a very different sort of market now and that requires a different mindset'

While many of the changes were standard procedure at other fund management houses, their implementation at Fidelity had rivals crowing over the implicit recognition of failure.

Mr Pozen also had to run the risk of upsetting individuals with large egos. He appears to have approached this with a combination of professorial charm and political knowhow. There has been some upset, but a series of damaging staff defections in the year leading up to his appointment appears to have halted.

Fidelity has also adapted its investment style. A large part of the group's underperformance hinged on failing to recognise the strength of a handful of large companies that have powered the US stock market. Mr Pozen called this "an aversion to large elephant stocks that had experienced significant price increases". Companies such as Microsoft proved that even elephants could grow.

Mr Pozen's own position seems to have changed since he started his current job. At the time he said the company would keep its emphasis on "individual accountability". Fidelity's hopes appeared to be pinned to a broadening of the market, which would allow its army of analysts and researchers to shine. But he now says: "One of the things that's different this year is that we have really become focused on large stocks. We have taken the position that even if the market is narrow, we have to perform in that market too. It's a very different sort of market now." And that requires a different mindset, including becoming "more analytical" about earnings forecasts.

While Fidelity still faces criticism from those who believe its performance is mediocre and its behaviour arrogant, the changes seem to be paying off. So far this year investment performance and market share are improving. Magellan is fully invested in equities, and made a return of 15.2 per cent in the first quarter, beating the S&P 500 index.

The choice of a career lawyer for the company's most senior investment job surprised many in the industry and Mr Pozen admits that being a fund management outsider was a barrier he had to overcome.

"I had to earn people's respect," he says.

ON THE BUTTON MOUSE DEVELOPMENT

Pointing and clicking all over the world

It was far from an instant success, but who would be without the indomitable computer mouse, asks **Tom Foremski**

"People laughed at me," says computer pioneer Douglas Engelbart, recalling the initial reaction to his development of the first computer mouse in the early 1960s. Yet where would we be without that ubiquitous computer pointing device?

In those days, Dr Engelbart says, the computer interface consisted of typing commands one line at a time into a mainframe. Working on a research project for the US Air Force, he was studying ways of improving computer interfaces. During the project he became convinced that all knowledge workers would some day have their own computer and needed a simpler way to interact with complex software.

"Remember, this was in the days when computers were very expensive, but I knew that eventually the technology would become less expensive over time," he says.

Dr Engelbart's work led him to develop the concept of a graphical user interface with windows, graphics icons and text organised into hyperlinks, where highlighted words are linked to other computer documents. These are all concepts that form the bedrock of computer systems and internet software.

He quickly realised a graphical user interface required a simple pointing device, leading to the development of the computer mouse, which he called an "X-Y Position Indicator for a Display System". The mouse was far from an instant success, simply because there was no graphical user interface software, outside a handful of US research labs. Dr Engelbart faced laughter "and much worse" in his efforts to promote the mouse as a serious device.

The first main commercial system to feature a mouse was Apple Computer's ground-breaking Lisa computer, introduced in 1983, the forerunner of the Macintosh and Microsoft Windows systems. Those first Apple computers were based on research carried out at the Xerox Palo Alto Research Center, where scientists who had worked with Dr Engelbart were based.

"I'm not surprised the mouse is the success it became, but I am a little surprised that nothing better has come along since," he says. The first prototype mouse looked very similar to today's devices, although over the past few years there has been a move away from a mechanical mechanism towards optical-based mechanisms. For example, US-based Logitech, the biggest maker of computer mouse devices, offers a large range, with its high-end models using a tiny laser to read dots on marble, converting the information into data the computer understands.

Julie Goebel, global product manager for mouse products at Logitech, says: "With an optical mechanism, the mouse is more accurate and you don't have to periodically clean the rollers as you would with a mechanical mouse.

"The computer mouse has become more useful than the keyboard," she adds. "This is especially true when you consider that millions of people are using the internet, which means they are mostly pointing and clicking on web page links."

Today, consumers can buy a computer mouse designed for either the left or right hand. Some have a scrolling wheel that allows users to scroll up or down a computer screen without first having to click on a graphical user navigation bar. Logitech also offers a cordless mouse and even a 3D mouse with six degrees of movement, useful in specialist applications in computer aided design and in some computer games.

'I'm not surprised the mouse is the success it became, but I am a little surprised that nothing better has come along since'

Other companies have developed a mouse with a "force feedback system" so users can "feel" texture or be pulled towards an icon on the computer screen through tiny magnets within the mouse. US-based Immersion last year introduced its Feelit Mouse using force feedback technology.

"Unfortunately there is not much software available that supports a force feedback mouse but that will change," predicts Ms Goebel.

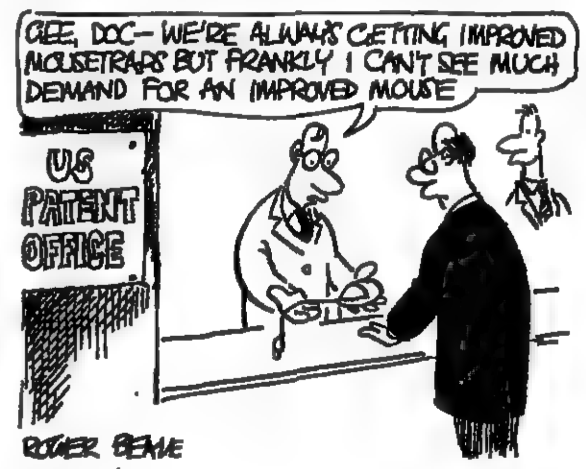
The mouse has been partly blamed for carpal tunnel syndrome, a painful condition caused by too much computer use. Logitech funds research into ergonomic issues and Ms Goebel says that, so far, there is no direct proof that too much use of the computer mouse causes carpal tunnel syndrome.

"It's really a personal issue, users have to find a mouse that they are comfortable with. There are also trackballs and touchpads available, which some users prefer," she says.

Dr Engelbart's first mouse had one button, but his later models had three. "I would have added more buttons if I'd have had the physical space," he says. Apple Computer offers just one button on its mouse, Microsoft added an extra button for Windows systems. But for Dr Engelbart more buttons mean more efficiency.

"With one hand controlling the mouse, the left hand could be doing something. So I developed a device with five keys for the left hand, so that even before you click on something, you can communicate to the computer what it is that you want to do with it," he says.

With five keys, users can also input letters without resorting to a keyboard. He still uses his five key input device and hopes to find commercial interest in the design.



NORMA COHEN
THE PROPERTY MARKET

An American adventure

US investors' interest in the European market will force changes in valuation

News that Security Capital Group, the US listed property company, has launched a $2bn war chest to invest in European property has caused a flutter in the industry.

It is probably the most concrete sign that US investors, after experimenting with international diversification in stocks and bonds, are prepared to extend their activities to property, the third main asset class.

But it would be wrong to view this trend as an easy opportunity to sell a business at a tidy premium to net asset value.

As with migrant populations, migrant capital imports new traditions to the host country. One only need consider the rise of the corporate governance movement among institutional investors in Europe and the changes in the London Stock Exchange's dealing system to imagine the changes in store for the European property sector.

American money, if it flows to Europe in volume, will force changes in the way property, and property companies, are valued. And that, perhaps more than anything, will force changes in the ownership of European property.

Moreover, the traditional benchmarks by which "value" is measured in the UK seem crude when set against the complex mathematical constructions which US property operators use to gauge the merits of an acquisition.

US analysts have generally discredited the merits of NAV measurements in favour of cash flow based analyses. Lehman Brothers, for instance, in its 1998 Annual Review, lists five different ways of gauging value in shares of property investment trusts.

Security Capital, for its part, says its acquisition strategy aims for high, sustainable growth in EBDADT (earnings before depreciation, amortisation and deferred taxes) and high rates of return on capital.

Of course, not all US property analysts eschew NAV-based analyses. But even those that do not are not generally prepared to use the NAV calculations agreed by chartered surveyors.

Green Street Partners, a Newport Beach, California-based REIT research company uses calculations of NAV. But it adjusts these for a series of subjective variables, the most significant of which it terms "franchise value".

"Franchise value pertains to the ability of a management team to create value over and above the current value of the existing portfolio," the partners write in their latest pricing model update.

Franchise value, the company says, explains the justification for REIT (property) shares to trade at a premium to NAV. "A REIT that does not have franchise value is hard pressed to argue that its shares should ever trade at a premium to NAV," Green Street says.

The implications of this judgment for the UK property sector, which typically trades at a discount to NAV, are worrisome. What will happen in the next downturn if US valuation methodology prevails? Will most companies find themselves starved of fresh capital?

While acknowledging that franchise value is hard to quantify, Green Street sets out several criteria.

Moreover, Green Street says that the company must have access to attractively priced capital, both debt and equity.

Calculating the cost of equity capital is the subject of considerable debate. In its simplist form, its calculation requires measuring the volatility of a company's share price relative to the market as a whole. Almost no UK property company has conducted the exercise.

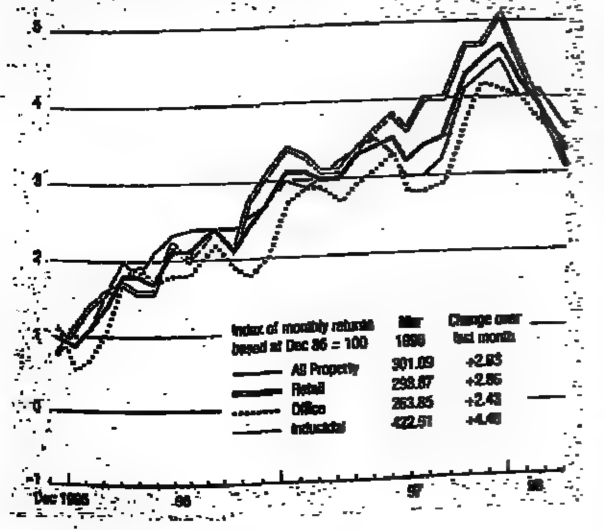
"I have asked this question to lots of companies and they don't know the answer," says Floris Van Dijkum, property company analyst at US-based investment bank Morgan Stanley. Indeed, he says, most have no idea about how even to find the answer.

However, he argues that one crude measure is to look at the inverse of a company's ratio of price/cash flow per share. The higher the denominator under such a calculation, the cheaper the equity capital.

The definition of a "hot stock" depends on how you measure its value. If Europe does begin importing US valuation techniques along with US capital, it is difficult to imagine the sector will be recognisable in 10 years' time.

IPD monthly index for March 1998

Total return (quarterly movement) %



Rental growth peaks

Rental growth in March was at its highest monthly level since March 1990, according to the latest monthly performance data from Investment Property Databank.

Capital values continued to grow, albeit more slowly than in the previous month, recording a March growth rate of 0.3 per cent, against a February growth rate of 0.6 per cent.

IPD attributed much of the slowing in growth rates to the 1 percentage point increase in stamp duty on properties priced at more than £500,000.

Over the quarter, total returns continued to grow, but not as quickly as they had during the last three months of 1997, according to IPD.

For the second consecutive month, industrials achieved the highest return at 1.1 per cent.

Year-on-year, retail properties through to the end of March retained their place as the best performing sector with a return of 16.9 per cent, while industrials had year-on-year returns of 15.4 per cent. Offices had 12-month returns of 14.4 per cent.

The extent of over-renting in the office sector has fallen considerably during March to measure 13.2 per cent of sector income.

Europe mostly quiet ahead of inflation data

GOVERNMENT BONDS

By Vincent Boland in London and John Labate in New York

Prices ended largely unchanged in an uneventful day's trading yesterday, with an absence of market-moving data causing investors to stay away after the sharp volatility of the previous day, when there was a general slump in spite of a more relaxed view on interest rates.

European markets were relatively quiet ahead of a round of preliminary April inflation data from Germany today and after a slight early fall in the US.

Both the German and UK markets saw a continuation of the recent trend of investors selling longer-dated stocks to move to the short end of the market, which should get a further boost if inflation figures are on the low side of expectations.

North Rhine Westphalia was the first of four states to report its data yesterday and the trend was positive – a rise of 0.1 per cent in the consumer price index in the month for an annual rate of 1.1 per cent.

That helped to push GERMAN BUNDS into positive territory. In the futures market, the June future settled at 107.19, a rise of 0.03, with some 415,000 contracts traded in Frankfurt. It had been as low as 106.96 but technical analysts said it found solid support at that level and rebounded on the inflation outlook.

UK GILTS steadied after Wednesday's sharp falls but activity dropped off. There was still evidence of international buying in the market, however, especially at the short end, on the growing view that interest rates have peaked.

Further support for that view emerged in the form of more weakness in retail sales, which grew just 0.3 per cent in March, bringing the annual rate down to 4.1 per cent from 6.8 per cent at the start of the year. However, today's release of figures for first-quarter gross domestic product are likely to have a larger bearing on the interest rate debate.

"We're seeing a lot of buying of gilts, particularly by international investors," said David Knott, strategist at Deutsche Morgan Grenfell. "The question is whether all the good news has been fully discounted. Our fundamental view is that a lot of it has."

Activity in the cash markets led to a steepening in the yield curve.

In the futures market the June future settled unchanged at 108$\frac{11}{32}$, with 61,000 contracts traded on Liffe, less than half the number traded on Wednesday. The 10-year spread over German bunds was unchanged at 100 basis points.

Other European markets traded slightly higher with bunds. ITALIAN BTPs saw more curve trades after the Bank of Italy's interest rate cut earlier this week, with a sell-off at the long end and some buying of short-dated stocks. The June future, which had taken a tumble in early trading, recovered to settle 0.03 higher at 118.85, but volume was very low.

FRENCH BONDS fared a little better, with the June notional future settling 0.06 higher at 103.65 in good turnover on the Matif. The spread to 10-year bunds was unchanged at five basis points.

SPANISH BONOS also squeezed a gain, with the June future settling 0.04 higher at 108.84 in moderate volume.

US TREASURIES recovered from a morning sell-off that had sent the yield on the benchmark long bond back towards the 6 per cent level. By early afternoon prices had moved slightly higher, with the 30-year bond gaining $\frac{1}{8}$ to 102$\frac{1}{8}$, sending the yield down to 5.973 per cent.

Shorter-term issues were mixed, with the two-year note unchanged at 99$\frac{27}{32}$, yielding 5.601 per cent, while the 10-year note rose $\frac{1}{16}$ to 98$\frac{27}{32}$, yielding 5.679 per cent.

"We're basically trading at the bottom of the trading range, with some negative comments coming from the Fed," said Terrence Pigott, head of government trading at Daiwa Securities America.

Rising concerns that the Federal Reserve could raise interest rates in the near term have been a worry in the market for much of the past week.

The main economic report of the day was on initial unemployment claims for the week ended April 18. Claims rose 29,000 to 318,000, and made little impact on morning trading.

Next week sees a series of important economic data releases that are awaited by investors. New durable goods and home sales data are expected early in the week, followed by the widely watched employment cost index and a new regional purchasing managers report.

Olivetti makes E600m five-year offering

INTERNATIONAL BONDS

By Edward Luce

Olivetti, the Italian electronics company, issued the largest bond denominated in euros to be offered by a European corporate to date. The E600m five-year issue, which was doubled from its initial size, follows an E500m convertible bond by Parmalat, the Italian food company, earlier this year.

Olivetti, which has seen its share price more than double in value since the start of the year, last came to the international bond market in 1994. Lehman Brothers, sole lead manager, said it was difficult to price the issue owing to the absence of any sizeable corporate benchmarks in euros.

Nevertheless, the unrated bond, which was priced to yield 128 basis points over the five-year Ecu OAT, caught investors' attention. The spread tightened by half a basis point after launch. Roughly half the issue went to funds and about one-third to banks. Some two-thirds went to Italian investors and the remainder to other European centres.

"It is good to see an unrated corporate in euros," said one trader. "The market is hoping for a lot more European corporate paper as this year progresses."

FINLAND will today launch a roadshow in Frankfurt for its debut euro bond. The 11-year issue, which will be fungible with a domestic markka issue, will be led by Paribas and J.P. Morgan.

COSTA RICA and PANAMA flew the flag for Central America with offerings of $200m and $300m, respectively. Both Costa Rica, which was issuing its first sovereign bond this decade, and Panama priced the deals aggressively. However, owing to the rarity value of both countries and the fact that neither are located in the eastern hemisphere, both were well received.

The five-year Costa Rica bond, proceeds of which will help retire domestic government debt, was priced to yield 235 basis points over the US Treasury benchmark. It tightened by more than 10 basis points after launch. Similarly, the 10-year Panama bond tightened in from its launch spread of 265 basis points over Treasuries.

"We got a lot of cross-over buying from US investment grade companies," said an official at Lehman Brothers, sole lead, in New York.

Panama, a completely dollarised economy, is rated at Ba1/BB+, just one notch below investment grade. Both issues were priced well inside the launch spread of Korea's $4bn two-tranche bond earlier this month.

RUSSIA took advantage of the success of its L500bn offering earlier this week to add another L250bn to the deal.

The issue, launched at a spread of 435 basis points over Treasuries on a swaps basis, was lead-managed by J.P. Morgan and Credito Italiano.

New international bond issues

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book-runner
US DOLLARS							
Level 3 Communications(a)♦	2bn	9.125(a)#	99.579R	May 2008	noneR	+350(Feb08)	Salomon Smith Barney
LB Rheinland-Pfalz	500	6.00	99.795R	Mar 2003	0.25R	+32(W1 5yr)	B Stearns/Dresdner KB
Asia Pulp and Paper(h)§	500	3.50#	100.00	Apr 2003	3.00	-	Goldman Sachs
Republic of Panama	300	8.25(a)#	99.597R	Apr 2008	0.60R	+265(Feb08)	Lehman Brothers
Republic of Costa Rica	200	8.00(j)#	100.00R	May 2003	0.50R	+235(W1 5yr)	CSFB
Commerzbank(b)	100	5.75	99.668R	Feb 2008	0.275R	+30(W1 5yr)	Commerzbank
D-MARKS							
SPT Telecom(Czech Rep)Fin	500	5.125	99.866R	May 2003	0.30R	+60(5%Nov02)	Deutsche Bank
Christiania Bank‡	400	(c)	99.965R	May 2005	0.20R	-	ABN Amro
ITALIAN LIRE							
Russian Federation(d)	500bn	9.00	98.71R	Apr 2005	0.875R	+435(swaps)	Credito/JP Morgan Secs
EUROS(e)							
Olivetti International	600	5.875	99.726R	May 2003	0.375R	+128(Jul03)	Lehman Brothers
CANADIAN DOLLARS							
CIBC‡	250	(f)	99.898R	May 2005	0.20R	-	CIBC Wood Gundy
AUSTRALIAN DOLLARS							
Toyota Finance Australia(g)	100	5.50	101.05	Feb 2001	2.00	-	RBC DS Global Markets

Final terms, non-callable unless stated. Yield spread (over relevant government bond) at launch supplied by lead manager. ♦Unlisted. §Convertible. ‡ Floating-rate note. #Semi-annual coupon. R: fixed re-offer price; fees shown at re-offer level. a) Callable after 5 yrs at par. b) Fungible with $500m. Plus 87 days accrued. c) 3-mth Libor +10bp. d) L500bn launched Monday was increased to L750bn. e) Pays in Ecu prior to Emu. Spread relates to French govt Ecu bonds. f) 3-mth Libor flat. g) Fungible with A$250m. Plus 88 days accrued. h) Convertible into ADRs at $17.178. Redemption price: 153.27%. Callable from 30/4/01, subject to 135% hurdle, at accreted value. Greenshoe: $100m. i) Long 1st coupon. j) Short 1st coupon.

NEWS DIGEST

CONVERTIBLE BONDS

Asia Pulp and Paper in watershed $500m deal

Asia Pulp and Paper, the Indonesian producer, yesterday launched a $500m convertible bond issue, the biggest of its type from the country to date. The bond is the company's third convertible issue and follows a deeply discounted zero-coupon offering at the end of last year, in the teeth of Indonesia's financial turmoil, that raised about $250m.

The latest transaction, which was raised from $250m, could prove a watershed in helping restore the fortunes of Indonesian companies. It coincides with the government's latest promise to the International Monetary Fund to begin implementing reforms on trade, investment and the banking sector and its qualifying for a $3bn aid package from the Fund at the start of next month.

Bankers at Goldman Sachs, lead manager, said the bond attracted strong interest from US investors, especially Asian and Indonesian specialists, as well as pulp and paper investors in Europe and Asia and convertible bond buyers. The company has "a very good following" in the US and this issue broadened its investor base.

The five-year bond was priced at par and is convertible into ADRs of Asia Pulp & Paper listed in New York at a 15 per cent premium to the current price. A further $100m over-allotment issue is also exercisable.

Asia Pulp & Paper, which is incorporated in Singapore but has 60 per cent of its assets in Indonesia, is capitalised at some $3.5bn. Vincent Boland

INFLATION-LINKED DEBT

Cades offers Tec-10 product

Cades, the French state-backed entity which manages French social security debt, has launched a bond indirectly linked to inflation, the first in French francs. The FFr2bn issue is linked to the Tec-10 index, which is based on daily calculations of average 10-year government bond yields. It was pre-sold to French insurers.

The 10-year bond, which has an amortisation calendar linked to the yield on the Tec-10, is designed as a hedging instrument for insurance funds concerned about a possible increase in interest rates. Edward Luce

PARTLY-PAID ISSUES

EIB launches in sterling

The European Investment Bank will today launch a rare "partly-paid" bond in which investors only hand over 25 per cent of the principal. The remaining 75 per cent of the principal will be paid in 12 months. The sterling bond, expected to be around £300m, is aimed at overseas investors attracted by the relatively high yields on offer in the UK but concerned about the unusually high level of sterling. Edward Luce

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

Apr 23	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	04/00	7.000	103.8472	4.92	-0.07	+0.02	-0.07	-1.47
	10/07	10.000	131.3750	5.63	-0.08	+0.07	-0.12	-2.20
Austria	09/98	7.000	103.8200	4.10	-0.02	-0.06	-0.03	+0.17
	07/07	5.625	104.4300	5.01	-	+0.06	+0.08	-0.34
[illegible]								

10 YEAR BENCHMARK SPREADS

[illegible]

EMERGING MARKET BONDS

[illegible]

BOND FUTURES AND OPTIONS

France

NOTIONAL FRENCH BOND FUTURES (MATIF) FFr500,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	103.58	103.65	+0.06	103.67	103.43	97,640	86,306
[illegible]							

LONG TERM FRENCH BOND OPTIONS (MATIF)

[illegible]

Germany

NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

[illegible]

BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

[illegible]

NOTIONAL GERMAN BOBL FUTURES (LIFFE)* DM250,000 100ths of 100%

[illegible]

Italy

NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

[illegible]

ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

[illegible]

Spain

NOTIONAL SPANISH BOND FUTURES (MEFF)

[illegible]

UK

NOTIONAL 5 YEAR GILT FUTURES (LIFFE) £100,000 100ths of 100%

[illegible]

NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

[illegible]

LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

[illegible]

US

US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

[illegible]

Japan

NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

[illegible]

Ecu

ECU BOND FUTURES (MATIF) ECU100,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	103.08	103.20	+0.02	103.08	103.08	775	6,089

US CORPORATE BONDS

[illegible]

US INTEREST RATES

[illegible]

INTERNATIONAL BONDS

Apr 23	Red date	Coupon	S & P Rating	Bid price	Bid yld	Day's chge yld	Mth's chge yld	Spread v Govts
EIB	02/07	6.750	AAA	105.5000	4.96	-0.02	+0.07	+0.06
[illegible]	01/07	6.750	AA	104.[illegible]	5.04	-0.01	+0.10	+0.17
[illegible]								

UK BONDS

FTSE Actuaries Govt. Securities

UK Indices

[illegible]

FT Fixed Interest Indices

[illegible]

UK GILTS PRICES

[illegible]

Other Fixed Interest

[illegible]

هكذا من الأصل

Goodhart's shift hits the pound

MARKETS REPORT

By Simon Kuper

Sterling hit an 8-week low against the D-Mark on news that the Bank of England was inclining away from interest rate rises.

The Financial Times revealed that Charles Goodhart, member of the Bank's monetary policy commitee, had voted at the MPC's meeting this month to leave base rates unchanged at 7.25 per cent. His shift created a five-to-three majority on the committee in favour of no change. In each of the previous three months, the committee had split four-four over changing rates, and Eddie George, the Bank's governor, had to use his casting vote to keep rates as they were. Soft UK retail sales figures for March yesterday also dented the prospect of further rate increases.

The pound briefly rallied later in the day after Gordon Brown, UK chancellor, unintentionally talked the currency higher. "What we are not going to get into is the policy of continuously long-term devaluing the pound," he told parliament. Sterling immediately bounced 2 pfgs against the D-Mark to DM2.998.

Mr Brown's comments are likely to infuriate UK manufacturers, who have been pleading with him for months to weaken sterling. Mr Brown also noted yesterday that the pound had dropped from DM3.10 to DM2.98 this month.

In late US trading the pound stood at DM2.993 and at $1.664 against the dollar, respectively 0.8 pfgs and 1.1 cents below Wednesday's London close. Short sterling futures contracts were higher on the reduced prospects of rate rises. The June 1999 contract rose 8 basis points to price in base rates of a little over 6.50 per cent. The level of short sterling contracts now assumes a strong probability that UK rates have peaked.

The dollar gained 0.7 pfgs against the D-Mark to close in London at DM1.799, as investors assimilated Wednesday's comments from three Bundesbank officials that German interest rates would not rise soon. Technical analysts regarded the dollar's break above DM1.7950 as significant.

■ The yen gained as traders awaited the details of Japan's latest economic stimulus package, due to be revealed today. Many investors believe that when the details appear Japan will sell dollars in the market, as it did around economic packages in December and at Easter.

Japanese threats of intervention are certainly more regular than they have been for months. Eisuke Sakakibara, Japan's vice finance minister for international affairs, flew in the face of world opinion by saying that the Japanese economy and the exchange rate were at "a significant turning point".

Japan would intervene "when we believe the yen will rise". He also said that Japan did not have defensive intervention in mind, and would not "intervene to maintain a specific level".

Philippa Malmgren, currency strategist at Bankers Trust in London, provided further evidence of Japan's desire to act. "They are literally sending a large number of Japanese officials on planes to London, Washington and New York to explain the package to policymakers and markets," she said. Mr Sakakibara, Mr Yen himself, would be on one plane. She interpreted the flying mission as a sign that the size of the package would disappoint the market. "It won't be strong enough to speak for itself," she said.

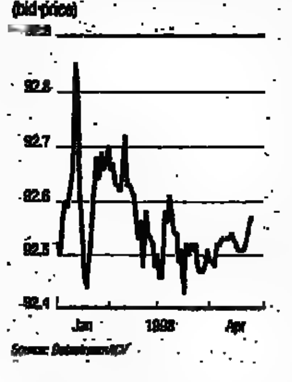
The yen rose Y0.6 against the dollar to Y130.0. 4CAST, the economic consultancy, said leading Swiss banks had been selling dollars heavily. Others in the market pointed the finger at the Swiss National Bank, which has been seen buying yen in the last month.

■ The rouble market was on tenterhooks, waiting to see whether Russia would today be pushed into a general election.

ABN-Amro says the market is betting that the Duma will approve Sergei Kiriyenko as prime minister. However, should the Duma reject him, then elections will be called and the rouble would be expected to suffer. So might the D-Mark, as investors make for the traditional safe havens of the Swiss franc and dollar.

Expected UK base rate

June '98 short sterling future contract (bid price)



Source: Datastream/ICV

■ **POUND IN NEW YORK**

Apr 23	Latest	Prev. close
£ spot	1.6585	1.6715
1 mth	1.6641	[illegible]
3 mth	1.6565	1.6650
1 yr	1.6400	1.6475

■ **OTHER CURRENCIES**

Apr 23	£	$
Czech Rp	56.4528 - 56.5544	33.3300 - 33.3500
Hungary	350.885 - 350.941	210.700 - 210.750
Iran	4995.00 - 4996.20	3000.00 - 3002.00
Kuwait	0.5080 - 0.5088	0.3057 - 0.3058
Peru	4.7069 - 4.7108	2.8280 - 2.8290
Poland	5.6723 - 5.6800	3.4090 - 3.4110
Russia	10.2149 - 10.2215	6.1373 - 6.1383
U.A.E.	6.1130 - 6.1166	3.6728 - 3.6732

POUND SPOT FORWARD AGAINST THE POUND

Apr 23		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	Day's Mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	Bank of Eng. Index
Europe													
Austria	(Sch)	21.0675	-0.0448	575 - 774	21.1361	20.9250	21.0020	3.7	20.8746	3.7	20.3832	3.2	102.7
Belgium	(BFr)	61.8141	-0.1171	658 - 622	61.9830	61.3100	61.6294	3.6	61.2561	3.6	59.8495	3.2	101.9
Denmark	(DKr)	11.4204	-0.0247	160 - 248	11.4507	11.3442	11.3874	3.5	11.3233	3.4	11.0663	2.9	104.0
Finland	(FM)	9.0849	-0.0215	785 - 912	9.1136	9.0280	9.0571	3.7	9.0013	3.7	8.7934	3.2	80.3
France	(FFr)	10.0459	-0.0203	405 - 470	10.0685	9.9731	10.0124	3.7	9.9502	3.7	9.7182	3.2	105.3
Germany	(DM)	2.9944	-0.0064	931 - 957	3.0050	2.9736	2.9852	3.7	2.9668	3.7	2.8977	3.2	103.2
Greece	(Dr)	820.633	+0.845	175 - 091	823.293	816.385	822.457	-4.2	825.636	-3.8	838.01	-3.3	59.2
Ireland	(I£)	1.1885	-0.0026	873 - 898	1.1911	1.1810	1.1878	0.9	1.1844	1.4	1.1630	2.1	89.5
Italy	(L)	2950.76	-5.45	880 - 272	2958.35	2940.13	2955.14	1.9	2943.81	2.3	2881.79	2.7	76.3
Luxembourg	(LFr)	61.8141	-0.1171	658 - 622	61.9830	61.3100	61.6294	3.6	61.2561	3.6	59.8495	3.2	101.9
Netherlands	(Fl)	3.3705	-0.0081	681 - 729	3.3934	3.3490	3.3590	3.8	3.339	3.8	3.2607	3.3	101.4
Norway	(NKr)	12.4469	-0.0062	419 - 519	12.4715	12.3563	12.4119	3.4	12.3454	3.3	12.1169	2.6	98.3
Portugal	(Es)	306.874	-0.638	685 - 063	307.497	304.892	306.113	2.7	304.485	3.0	297.454	3.1	91.3
Spain	(Pta)	254.348	-0.514	254 - 443	255.170	252.550	253.772	2.7	252.449	3.0	246.684	3.0	78.5
Sweden	(SKr)	12.8485	-0.0037	402 - 567	12.8631	12.7267	12.8185	2.8	12.7591	2.8	12.5381	2.4	87.1
Switzerland	(SFr)	2.4982	-0.0065	788 - 816	2.4873	2.4823	2.4679	6.0	2.4436	5.9	2.3494	5.5	105.7
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	105.9
Ecu	-	1.5141	-0.0026	132 - 149	1.5174	1.5040	1.5103	3.1	1.5023	3.1	1.4669	2.9	-
SDR†	-	1.24003	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.6646	-0.0101	642 - 650	1.6728	1.6620	-	-	-	-	-	-	-
Brazil	(R$)	1.9017	-0.0115	011 - 022	1.9119	1.8952	-	-	-	-	-	-	-
Canada	(C$)	2.3858	-0.0131	848 - 868	2.3987	2.3786	2.3807	2.5	2.3713	2.4	2.3274	2.0	82.4
Mexico	(New Peso)	14.1604	-0.0705	556 - 103	14.1711	14.0517	14.2352	-11.2	14.5244	-11.9	15.8114	-12.1	-
USA	($)	1.6646	-0.0101	644 - 652	1.6731	1.6580	1.6625	1.7	1.6578	1.7	1.6416	1.4	100.1
Pacific/Middle East/Africa													
Australia	(A$)	2.5488	-0.0221	466 - 501	2.5664	2.5414	2.5437	2.3	2.5336	2.5	2.49	2.3	95.5
Hong Kong	(HK$)	12.8917	-0.0782	870 - 968	12.9637	12.8573	12.8814	1.0	12.8643	1.2	12.993	-0.7	-
India	(Rs)	66.1175	-0.3844	600 - 750	66.3810	65.9290	-	-	-	-	-	-	-
Israel	(Shk)	6.2295	-0.0489	212 - 378	6.2385	6.2134	-	-	-	-	-	-	-
Japan	(Y)	216.457	-2.277	322 - 590	218.250	215.630	215.247	6.7	212.767	6.8	202.822	6.4	118.1
Malaysia	(M$)	6.3013	-0.0085	914 - 111	6.3111	6.5734	6.3334	-6.1	6.3931	-5.8	6.6382	-5.3	-
New Zealand	(NZ$)	2.9689	-0.025	603 - 714	2.9806	2.9587	2.9722	-1.3	2.9784	-1.3	3.0007	-1.1	98.6
Philippines	(Peso)	64.0949	-0.0957	190 - 707	64.2774	63.9070	64.6124	-9.7	65.5709	-9.3	70.4343	-9.9	-
Saudi Arabia	(SR)	6.2440	-0.0378	423 - 457	6.2748	6.2222	6.2374	1.3	6.2245	1.2	6.1671	0.9	-
Singapore	(S$)	2.8454	-0.0119	431 - 477	2.8584	2.8345	2.8439	0.7	2.84	0.6	2.8238	0.7	-
South Africa	(R)	8.4284	-0.0277	219 - 309	8.4402	8.3697	8.4737	-6.7	8.5551	-6.1	8.8837	-5.4	-
South Korea	(Won)	2276.28	-24.71	024 - 532	2297.17	2259.81	-	-	-	-	-	-	-
Taiwan	(T$)	54.9276	-0.345	102 - 449	55.1286	54.6300	54.9349	-0.2	54.9516	-0.2	55.0084	-0.1	-
Thailand	(Bt)	66.4257	-0.3718	277 - 236	65.7770	66.0690	66.9784	-10.1	67.0971	-10.2	71.0004	-6.5	-

† Rates for Apr 22. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. The exchange rates printed in this table are also available on the internet at http://www.FT.com

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Apr 23		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	J.P. Morgan index
Europe													
Austria	(Sch)	12.6548	+0.0485	519 - 578	12.6730	12.5840	12.6394	2.0	12.5923	2.0	12.4178	1.9	102.5
Belgium	(BFr)	37.1300	+0.154	100 - 500	37.1580	36.9218	37.0703	1.9	36.9515	1.9	36.4575	1.8	102.0
Denmark	(DKr)	6.8598	+0.0266	589 - 608	6.8721	6.8236	6.8495	1.8	6.8305	1.7	6.7532	1.6	103.4
Finland	(FM)	5.4570	+0.02	545 - 595	5.4671	5.4304	5.4478	2.0	5.4299	2.0	5.3565	1.8	79.9
France	(FFr)	6.0330	+0.0242	325 - 335	6.0387	5.9930	6.0225	2.1	6.0022	2.0	5.9199	1.9	105.9
Germany	(DM)	1.7987	+0.007	982 - 990	1.8025	1.7899	1.7958	2.0	1.7898	2.0	1.7652	1.9	103.0
Greece	(Dr)	312.730	+2.45	530 - 030	314.630	309.810	314.28	-5.9	317.00	-5.6	327.73	-4.8	69.4
Ireland	(I£)	1.4006	-0.0055	001 - 011	1.4068	1.3990	1.3999	0.6	1.3987	0.5	1.4109	-0.7	-
Italy	(L)	1778.45	+6.87	770 - 920	1780.50	1768.04	1778.12	0.2	1775.8	0.6	1755.45	1.3	76.1
Luxembourg	(LFr)	37.1300	+0.154	100 - 500	37.1580	36.9218	37.0703	1.9	36.9515	1.9	36.4575	1.8	102.0
Netherlands	(Fl)	2.0249	+0.0073	242 - 256	2.0275	2.0142	2.021	2.1	2.0141	2.1	1.9862	1.9	107.3
Norway	(NKr)	7.4765	+0.0414	753 - 777	7.4894	7.4215	7.4658	1.7	7.4471	1.6	7.3829	1.3	95.9
Portugal	(Es)	184.235	+0.685	180 - 400	184.550	183.450	184.128	1.1	183.675	1.3	181.195	1.7	92.0
Spain	(Pta)	152.780	+0.555	700 - 900	153.100	152.010	152.646	1.1	152.285	1.3	150.39	1.6	78.3
Sweden	(SKr)	7.7177	+0.0443	145 - 209	7.7321	7.6529	7.7109	1.1	7.6986	1.1	7.6364	1.1	87.2
Switzerland	(SFr)	1.4898	+0.0057	893 - 903	1.4935	1.4805	1.4845	4.3	1.4741	4.2	1.4311	3.9	105.8
UK	(£)	1.6646	-0.0101	644 - 652	1.6731	1.6580	1.6625	1.7	1.6578	1.7	1.6416	1.4	100.6
Ecu	-	1.0996	-0.0048	992 - 999	1.1064	1.0983	1.1008	-1.4	1.1035	-1.4	1.1169	-1.6	-
SDR†	-	0.740318	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9998	-	998 - 999	0.9999	0.9998	-	-	-	-	-	-	-
Brazil	(R$)	1.1423	-	422 - 423	1.1423	1.1422	-	-	-	-	-	-	-
Canada	(C$)	1.4330	+0.0008	327 - 332	1.4338	1.4300	1.432	0.6	1.4304	0.7	1.4236	0.6	82.5
Mexico	(New Peso)	8.4715	+0.030	690 - 740	8.4750	8.4690	8.5625	-12.9	8.7615	-13.7	9.6315	-13.7	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	109.9
Pacific/Middle East/Africa													
Australia	(A$)	1.5308	-0.0033	302 - 314	1.5361	1.5291	1.53	0.6	1.5274	0.9	1.5167	0.9	96.8
Hong Kong	(HK$)	7.7497	-	492 - 502	7.7502	7.7480	7.7482	0.2	7.7602	-0.5	7.9147	-2.1	-
India	(Rs)	39.7150	+0.01	900 - 400	39.7470	39.6950	-	-	-	-	-	-	-
Israel	(Shk)	3.7419	-0.0086	378 - 460	3.7490	3.7340	-	-	-	-	-	-	-
Japan	(Y)	130.020	-0.575	970 - 070	130.770	129.700	129.47	5.1	128.345	5.2	123.365	5.1	119.6
Malaysia	(M$)	3.7850	+0.0187	800 - 900	3.7925	3.7770	3.8085	-7.8	3.8588	-7.6	4.04	-6.7	-
New Zealand	(NZ$)	1.7833	-0.0046	822 - 844	1.7886	1.7701	1.7864	-2.1	1.7918	-1.9	1.8106	-1.5	-
Philippines	(Peso)	38.5000	+0.178	000 - 000	38.6000	38.4000	38.8645	-11.4	39.559	-11.0	42.905	-11.4	-
Saudi Arabia	(SR)	3.7506	+0.0001	505 - 507	3.7507	3.7505	3.7518	-0.4	3.7548	-0.4	3.7659	-0.5	-
Singapore	(S$)	1.5980	+0.0025	960 - 900	1.5905	1.5930	1.5903	-1.0	1.5925	-0.9	1.6095	-0.7	-
South Africa	(R)	5.0615	+0.014	600 - 630	5.0630	5.0365	5.097	-8.4	5.1607	-7.8	5.4115	-6.9	-
South Korea	(Won)	1368.50	-8.5	400 - 300	1376.00	1360.00	-	-	-	-	-	-	-
Taiwan	(T$)	32.9935	-0.007	910 - 960	32.9970	32.9850	33.0435	-1.8	33.1485	-1.9	33.5085	-1.6	-
Thailand	(Bt)	39.3000	+0.015	500 - 500	39.3500	39.2450	39.665	-11.8	40.475	-12.0	43.25	-10.1	-

† SDR rate per $ for Apr 22. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Apr 22: Base average 1990=100. Bid, offer, mid spot rates and forward rates in both this and the Dollar table are derived from THE WM/REUTERS CLOSING SPOT and FORWARD RATE services. Some values are rounded by the F.T.
The exchange rates printed in this table are also available on the internet at http://www.FT.com

WORLD INTEREST RATES

MONEY RATES

Apr 23	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	3⅝	3⅝	3¾	3⅞	3⅞	6.00	2.75	-
France	3½	3½	3⅝	3⅝	4⅛	4.60	-	3.30
Germany	3⅞	3½	3⅝	3⅝	3⅞	4.50	2.50	3.30
Ireland	5⅞	6⅛	6¼	5⅞	5⅝	-	-	6.75
Italy	5¾	5⅛	5½	4⅞	4⅞	6.50	5.00	5.63
Netherlands	3½	3⅝	3⅝	3⅝	3⅝	-	2.75	3.30
Switzerland	1½	1⅝	1⅝	1½	1⅞	-	1.00	-
US	5⅝	5½	5½	5⅝	5⅝	-	5.00	-
Japan	⅜	½	⅝	⅝	½	-	0.50	-
■ S LIBOR BBA London								
Interbank Fixing	-	5⅝	5⅝	5¾	5⅞	-	-	-
US Dollar CDs	-	5.42	5.45	5.48	5.58	-	-	-
ECU Linked Ds	-	4⅛	4⅛	4⅛	4⅛	-	-	-
SDR Linked Ds	-	3¾	3¾	3⅞	3⅝	-	-	-

London Interbank fixing rate (LIBOR) is the BBA London rate, fixed at 11am.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Apr 23	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	3⅝ - 3½	3⅝ - 3½	3¾ - 3⅝	3⅞ - 3¾	3⅞ - 3¾	4 - 3⅞
Danish Krone	3⅞ - 3¾	3⅞ - 3¾	3¾ - 3⅝	3⅞ - 3¾	4⅛ - 3⅞	4⅛ - 4
German Mark	3⅝ - 3½	3⅝ - 3½	3⅝ - 3½	3⅝ - 3⅝	3⅞ - 3¾	3⅞ - 3⅞
Dutch Guilder	3⅝ - 3½	3⅝ - 3½	3⅝ - 3⅝	3⅝ - 3½	3⅞ - 3⅝	3⅞ - 3¾
French Franc	3⅝ - 3½	3⅝ - 3½	3⅝ - 3½	3¾ - 3⅝	3⅞ - 3¾	4⅛ - 4
Portuguese Esc.	4⅝ - 4½	4⅝ - 4½	4⅝ - 4½	4⅝ - 4½	4⅝ - 4½	4⅝ - 4½
Spanish Peseta	4½ - 4⅜	4⅝ - 4½	4⅝ - 4½	4⅝ - 4½	4⅝ - 4½	4⅝ - 4½
Sterling	7½ - 7⅜	7⅝ - 7½	7⅝ - 7½	7⅝ - 7½	7⅝ - 7½	7⅝ - 7½
Swiss Franc	1½ - 1	1⅝ - 1½	1⅝ - 1½	1⅝ - 1½	1⅝ - 1½	1⅞ - 1¾
Canadian Dollar	4⅝ - 4⅜	4⅝ - 4½	5⅛ - 4⅞	4⅞ - 4¾	5⅛ - 4⅞	5⅜ - 5¼
US Dollar	5½ - 5⅜	5⅝ - 5½	5⅝ - 5½	5⅝ - 5½	5¾ - 5⅝	5⅞ - 5¾
Italian Lira	5⅝ - 5½	5⅛ - 5	5⅛ - 5	5⅛ - 5	4⅞ - 4⅝	4⅞ - 4¾
Japanese Yen	½ - ⅜	½ - ⅜	½ - ⅜	⅝ - ½	⅝ - ½	⅝ - ½
Asian $Sing	3¾ - 3⅝	4½ - 4¼	4⅞ - 4⅝	5 - 4¾	5¾ - 5½	6¼ - 6

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ **THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	96.27	96.29	+0.01	96.30	96.27	18,143	69,060
Sep	96.12	96.13	+0.02	96.14	96.12	3,123	36,004

■ **THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	96.290	96.295	+0.010	96.305	96.275	58554	402917
Sep	96.140	96.155	+0.015	96.170	96.130	68639	397848
Dec	95.930	95.945	+0.020	95.950	95.910	43114	381349
Mar	95.810	95.830	+0.025	95.845	95.795	67446	354157

■ **ONE MONTH EUROMARK FUTURES (LIFFE)* DM3m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
May		96.37	-			0	267
Jun		96.35	-			0	0

■ **THREE MONTH EUROLIRA FUTURES (LIFFE)* L1000m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	95.39	95.36	-0.02	95.40	95.35	35663	255006
Sep	95.79	95.78	-	95.79	95.76	25578	259448
Dec	95.88	95.88	+0.01	95.90	95.85	13446	186527
Mar	95.77	95.79	+0.03	95.80	95.74	14874	191572

■ **THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	98.47	98.42	-0.02	98.48	98.41	17285	67712
Sep	98.27	98.23	-0.01	98.28	98.21	6921	37105
Dec	98.04	98.00	-0.01	98.04	97.98	1654	27018
Mar	97.90	97.87	-0.01	97.90	97.86	482	10716

■ **THREE MONTH EUROYEN FUTURES (LIFFE) Y100m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	99.32	99.33	+0.05	99.32	99.32	65	na
Sep		99.31	+0.04			0	na
Dec		99.27	+0.04			0	na

■ **THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	95.79	95.78	+0.02	95.79	95.77	573	12762
Sep	95.79	95.80	+0.02	95.80	95.78	247	17589
Dec	95.90	95.91	+0.02	95.91	95.90	96	6778
Mar	95.78	95.82	+0.03	95.82	95.78	123	5577

* LIFFE futures also traded on APT

■ **EUROLIRA OPTIONS (LIFFE) L1000m points of 100%**

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9525	0.19	0.56	0.67	0.06	0.03	0.04
9550	0.07	0.34	0.45	0.21	0.06	0.07
9575	0.02	0.16	0.25	0.41	0.13	0.12

Est. vol. total, Calls 11494 Puts 1450. Previous day's open int., Calls 209339 Puts 200858

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Apr 23		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.48	16.25	4.844	1.923	4790	5.453	20.14	496.4	411.5	20.79	4.012	1.618	3.859	2.693	350.2	2.449
Denmark	(DKr)	54.13	10	8.795	2.622	1.041	2593	2.951	10.90	268.7	222.7	11.25	2.172	0.876	2.089	1.458	189.5	1.326
France	(FFr)	61.54	11.37	10	2.981	1.183	2948	3.356	12.39	305.5	253.2	12.79	2.469	0.996	2.375	1.658	215.5	1.507
Germany	(DM)	20.64	3.814	3.354	1	0.397	988.7	1.126	4.157	102.5	84.94	4.291	0.828	0.334	0.797	0.556	72.29	0.506
Ireland	(I£)	52.01	9.609	8.451	2.520	1	2491	2.836	10.47	258.2	214.0	10.81	2.087	0.841	2.007	1.401	182.1	1.274
Italy	(L)	2.088	0.386	0.339	0.101	0.040	100	0.114	0.420	10.36	8.591	0.434	0.084	0.034	0.081	0.056	7.311	0.051
Netherlands	(Fl)	18.34	3.388	2.980	0.888	0.353	878.4	1	3.693	91.03	75.46	3.812	0.736	0.297	0.708	0.494	64.22	0.449
Norway	(NKr)	49.66	9.175	8.069	2.406	0.955	2379	2.708	10	246.5	204.3	10.32	1.993	0.803	1.917	1.338	173.9	1.216
Portugal	(Es)	20.15	3.722	3.274	0.976	0.387	965.0	1.099	4.057	100	82.90	4.188	0.808	0.326	0.778	0.543	70.55	0.493
Spain	(Pta)	24.30	4.490	3.949	1.177	0.467	1164	1.325	4.894	120.6	100	5.052	0.975	0.393	0.938	0.655	85.10	0.595
Sweden	(SKr)	48.11	8.889	7.817	2.331	0.925	2304	2.623	9.687	238.8	198.0	10	1.930	0.778	1.857	1.296	168.5	1.178
Switzerland	(SFr)	24.92	4.605	4.050	1.207	0.479	1194	1.359	5.018	123.7	102.6	5.180	1	0.403	0.962	0.671	87.27	0.610
UK	(£)	61.81	11.42	10.04	2.994	1.188	2961	3.371	12.45	306.8	254.3	12.85	2.480	1	2.386	1.665	216.5	1.514
Canada	(C$)	25.91	4.787	4.210	1.255	0.498	1241	1.413	5.217	128.6	106.6	5.386	1.040	0.419	1	0.698	90.73	0.635
USA	($)	37.13	6.860	6.033	1.799	0.714	1778	2.025	7.477	184.3	152.8	7.718	1.490	0.601	1.433	1	130.0	0.909
Japan	(Y)	28.56	5.276	4.640	1.383	0.549	1368	1.557	5.750	141.7	117.5	5.936	1.146	0.462	1.102	0.769	100	0.699
Ecu	-	40.83	7.543	6.634	1.978	0.785	1956	2.226	8.221	202.7	168.0	8.486	1.638	0.661	1.576	1.100	143.0	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES (IMM) DM 125,000 per DM**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.5593	0.5592	-0.0005	0.5608	0.5585	32,480	113,871
Sep	0.5615	0.5615	-0.0009	0.5625	0.5615	140	3,126
Dec	-	0.5649	-0.0001	-	-	37	67

■ **SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.6775	0.6780	-0.0002	0.6798	0.6765	16,386	61,387
Sep	0.6848	0.6848	-0.0003	0.6855	0.6848	9	1,309
Dec	0.6925	0.6920	+0.0002	0.6925	0.6920	1	17

■ **JAPANESE YEN FUTURES (IMM) Yen 12.5m per Yen 100**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.7729	0.7738	+0.0009	0.7755	0.7700	16,515	86,318
Sep	0.7837	0.7836	+0.0008	0.7836	0.7834	42	2,095
Dec	0.7946	0.7936	+0.0004	0.7945	0.7932	20	239

■ **STERLING FUTURES (IMM) £62,500 per £**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	1.6682	1.6584	-0.0094	1.6682	1.6580	10,771	41,343
Sep	1.6540	1.6540	-0.0072	1.6540	1.6496	35	676
Dec	-	1.6430	-0.0116	-	1.6430	2	50

UK INTEREST RATES

LONDON MONEY RATES

Apr 23	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	7¼ - 6	7⅜ - 7¼	7⅜ - 7¼	7⅜ - 7¼	7⅜ - 7¼	7⅜ - 7¼
Sterling CDs	-	-	7⅜ - 7¼	7⅜ - 7¼	7⅜ - 7¼	7⅜ - 7¼
Treasury Bills	-	-	7¼ - 7⅛	7¼ - 7⅛	-	-
Bank Bills	-	-	7¼ - 7⅛	7¼ - 7⅛	7⅛ - 7⅛	-
Local authority deps.	7½ - 7	7¼ - 7⅛	7⅜ - 7¼	7⅜ - 7¼	7⅜ - 7¼	7⅜ - 7¼
Discount Market deps	7½ - 7¼	7¼ - 7⅛	-	-	-	-

UK clearing bank base lending rate 7¼ per cent from Nov 6, 1997

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	4	6.5	6.5	6.25	6.25

Certs of Tax dep. under £100,000 is 4pc. Deposits withdrawn for cash 2pc.
Ave. tender rate of discount on Apr 9, 7.0052pc. ECGD fixed rate Stg. Export Finance. Make up day Mar 31, 1998. Agreed rate for period Apr 26, 1998 to May 25, 1998, Scheme III 6.78pc. Reference rate for period Feb 28, 1998 to Mar 31, 1998, Schemes IV & V 7.554pc. Finance House Base Rate 8pc from Apr 1, 1998.

■ **THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	92.54	92.57	+0.05	92.57	92.54	25943	165331
Sep	92.68	92.72	+0.07	92.72	92.67	37781	105654
Dec	92.85	92.89	+0.07	92.89	92.85	49864	148260
Mar	93.08	93.10	+0.06	93.10	93.06	25849	94718
Jun	93.26	93.28	+0.06	93.28	93.23	12859	82395

Also traded on APT. All Open interest figs. are for previous day.

■ **SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%**

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9250	0.10	0.27	0.46	0.03	0.05	0.07
9275	0.01	0.11	0.28	0.19	0.14	0.14
9300	0	0.04	0.14	0.43	0.32	0.25

Est. vol. total, Calls 10230 Puts 7626. Previous day's open int., Calls 298035 Puts 236508

BASE LENDING RATES

	%
Adam & Company	7.25
Allied Irish Bank (GB)	7.25
●Henry Ansbacher	7.25
Banco Bilbao Vizcaya	7.25
Bank of Cyprus	7.25
Bank of Ireland	7.25
Bank of India	7.25
Bank of Scotland	7.25
Barclays Bank	7.25
Brit Bk of Mid East	7.25
●Brown Shipley & Co Ltd	7.25
Citibank NA	7.25
Clydesdale Bank	7.25
The Co-operative Bank	7.25
Coutts & Co	7.25
Cyprus Popular Bank	7.25
Duncan Lawrie	7.25
Exeter Trust Limited	8.25
Financial & Gen Bank	8.00
●Robert Fleming & Co	7.25
●Guinness Mahon	7.25
Habib Bank AG Zurich	7.25
●Hambros Bank	7.25
Heritable & Gen Inv Bk.	7.25
C. Hoare & Co	7.25
Hongkong & Shanghai	7.25
Investec Bank (UK) Ltd	7.25
Julian Hodge Bank	7.25
●Leopold Joseph & Sons	7.25
Lloyds Bank	7.25
Midland Bank	7.25
NatWestminster	7.25
●Rea Brothers	7.25
Royal Bk of Scotland	7.25
Scottish Widows Bank	7.25
●Singer & Friedlander	7.25
●Smith & Williamson	7.25
Sun Bank plc	7.25
TSB	7.25
United Bank of Kuwait	7.25
Unity Trust Bank Plc	7.25
Whiteaway Laidlaw	7.25
Yorkshire Bank	7.25

● Members of London Investment Banking Association
* In administration

EMS EUROPEAN CURRENCY UNIT RATES

Apr 23	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Greece	357.000	343.530	+0.972	-3.77	3.86	25
Ireland	0.796244	0.784388	+0.000039	-1.49	1.45	10
Finland	6.01125	5.99276	-0.00226	-0.31	0.25	2
Italy	1957.61	1951.68	-2.47	-0.30	0.25	2
Spain	168.220	167.791	-0.154	-0.26	0.20	2
Netherlands	2.22799	2.22340	-0.0025	-0.21	0.16	2
France	6.63186	6.62050	-0.00641	-0.17	0.11	1
Portugal	202.692	202.346	-0.2	-0.17	0.11	1
Denmark	7.54257	7.53083	-0.00749	-0.16	0.10	1
Austria	13.9119	13.8924	-0.014	-0.14	0.08	1
Germany	1.97738	1.97463	-0.00202	-0.14	0.08	1
Belgium	40.7844	40.7602	-0.0388	-0.06	0.00	0
NON ERM MEMBERS						
UK	0.653644	0.662274	+0.004286	1.32	-1.36	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu: a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. 17/9/92: Sterling suspended from ERM. 16/3/98: Drachma joined ERM & Punt revalued by 3%. Other central rates adjusted. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)**

Strike Price	CALLS May	CALLS Jun	CALLS Jul	PUTS May	PUTS Jun	PUTS Jul
1.670	1.26	1.85	2.30	1.30	2.09	2.69
1.680	0.84	1.42	1.85	1.89	2.63	3.26
1.690	0.52	1.06	1.48	-	3.23	-

Previous day's vol., Calls 1 Puts 756 . Prev. day's open int., Calls 14,098 Puts 14,961

■ **PHILADELPHIA SE D-MARK/$ OPTIONS DM62,500 ($ per DM)**

Strike Price	CALLS May	CALLS Jun	CALLS Jul	PUTS May	PUTS Jun	PUTS Jul
0.550	1.05	1.35	-	0.22	0.42	0.56
0.555	0.73	1.04	1.29	0.39	0.60	0.75
0.560	0.47	0.77	1.04	0.61	0.84	0.99

Previous day's vol., Calls 1,106 Puts 1,383. Prev. day's open int., Calls 7,116 Puts 16,952

■ **THREE MONTH EURODOLLAR (IMM) $1m points of 100%**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	94.29	94.28	-0.01	94.29	94.28	34,796	472,179
Sep	94.24	94.23	-0.02	94.25	94.23	51,077	421,339
Dec	94.15	94.14	-0.02	94.16	94.14	53,910	327,456

■ **US TREASURY BILL FUTURES (IMM) $1m per 100%**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	95.06	95.06	+0.01	95.06	95.06	80	4,160
Sep	-	95.04	+0.01	-	-	66	680
Dec	-	95.06	-	-	-	2	13

All Open interest figs are for previous day

■ **EUROMARK OPTIONS (LIFFE) DM1m points of 100%**

Strike Price	CALLS May	CALLS Jun	CALLS Jul	CALLS Sep	PUTS May	PUTS Jun	PUTS Jul	PUTS Sep
9625	0.070	0.085	0.030	0.080	0.025	0.040	0.125	0.165
9650	0.010	0.010	0.010	0.010	0.215	0.215	0.355	0.355
9675	0	0	0	0	0.455	0.455	0.595	0.595
9700	0	0	0	0	0.705	0.705	0.845	0.845

Est. vol. total, Calls 3055 Puts 5107. Previous day's open int., Calls 354470 Puts 418687

■ **EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%**

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9850	0.09	0.08	0.08	0.17	0.35	0.58
9875	0.02	0.03	0.03	0.35	0.55	0.78

Est. vol. total, Calls 100 Puts 250. Previous day's open int., Calls 25815 Puts 8867

COMMODITIES & AGRICULTURE

METALS CURRENT SPIKE CAUSED BY POLITICAL TURMOIL IN MOSCOW BUT TRADERS FEAR LONG-TERM SUPPLY DIFFICULTIES

Russia's problems send palladium price soaring

By Kenneth Gooding, Mining Correspondent

The price of palladium, one of those materials essential to the modern industrialised world, has virtually doubled since the start of this year. Yesterday it jumped to a record $390 a troy ounce; in January 1996 it was less than one-third of this, at $120.

Demand for the metal has also been accelerating. Pick up a mobile telephone or log on to your lap-top computer, and they function because there is palladium in some of the electronic components. Most anti-pollution catalysts fitted to motor vehicles also contain palladium.

The present price spike has been caused by short-term political problems in Russia, the biggest producer, but there could be more deep-rooted, long-term supply difficulties ahead.

Traders, however, have been too busy this week dealing with the short-term problems. There has been so little palladium available for immediate delivery that trading has virtually ground to a halt.

One London analyst described the palladium market as "a complete joke" which posed serious problems not only for users but also for the market itself.

"I can't argue with that," says Trevor Pitts, chairman of the London Platinum and Palladium Market. "This probably will do long-term damage to the market." For the present, "there is a fundamental shortage of available metal. Liquidity is drying up very fast."

Nevertheless, the market is continuing to function, he insists, but only after a fashion. In London, the only international physical market for palladium, the difference between "bid" and "offer" prices has widened to $10 a troy ounce, driving most trade to the twice daily "fixes" which result in one price.

Anyone wanting to lease palladium for one month is being asked to pay 200 per cent of the spot price.

The New York Mercantile Exchange has raised margin calls – or deposits on futures deals – on palladium to untenable levels.

Some traders on the Tokyo Commodity Exchange are worried that there might be a repeat of last year's fiasco, when special arrangements had to be made between speculators who had sold short (sold metal they did not own in the hope they could buy it later at a lower price) and organisations that wanted to take the promised delivery.

The cause of all these short-term problems is the almost unbelievable bureaucracy and bungling in Russia, which is responsible for about 60 per cent of global supply. Its exports of palladium were worth about US$650m last year.

In 1997, the Russian authorities did not issue any palladium export licences for the first six months, and it seems there will be a re-run this year.

According to John Helmer, Moscow-based analyst with Standard Bank, last year's disruption was caused by a battle between the export agency, Almaz, and others over contract terms.

This year the fight has been between the finance ministry and the central bank about which of them should control exports of palladium and its sister metal platinum.

Export licences have been delayed further by the political turmoil after President Boris Yeltsin sacked his cabinet and parliament resisted the appointment of his nominee for prime minister.

The big price swings this is causing has little impact on palladium supply and demand. Many consumers need only relatively small quantities and palladium represents a tiny percentage of the total cost of their products.

Even though demand increased by 21 per cent last year, the world consumed only 7.44m ounces of palladium or 231 tonnes.

Also, the metal is produced mainly as a by-product – of nickel mining in Russia and of platinum production in South Africa. Therefore, any substantial increase in output depends on nickel and platinum prices rising strongly.

There are no big stocks outside Russia to draw on, although there is speculation that the US Tiger Investment Fund has hoarded 1.5m ounces (46.6 tonnes).

Mr Pitts says: "We can't magic up metal that isn't there." Of this year's problem he says: "I suppose we [traders] should have been ready for it. But at the end of last year we were given assurances by Russia and we expected deliveries in February."

For palladium users, the longer-term outlook could be equally bleak.

Mike Steel, research director at Johnson Matthey, the world's biggest platinum and palladium marketing group, points out that palladium output continues to lag well behind demand. He says: "Soon after 2000 we could be in a very difficult situation unless industrial users take heed now."

Consumers have been relying on Russia's stocks to fill a substantial gap between demand (7.44m ounces in 1997) and supply (5.65m ounces).

In the five years to 1997, more than 9m ounces was drawn from Russia's stocks, and Mr Steel warns that those stocks will run out soon after the turn of the century.

CSCE Brazilian coffee plan under fire

By James Wilson in Panama

Coffee producers from Central America are considering leaving New York's Coffee, Sugar and Cocoa Exchange because of a proposal to allow Brazilian coffee to be deliverable against the exchange's benchmark Coffee "C" contract.

They say the introduction of large quantities of Brazilian washed arabica would distort the market and affect demand for their own crops.

"We are worried that prices will be affected," said Ricardo Seevers, president of Icafé, the Costa Rican coffee institute.

The CSCE's coffee committee says the exchange's board should consider adding Brazilian washed to the list of coffees deliverable against the "C" contract, recognising Brazilian's increased availability.

Members are being consulted for their views. Under the proposal, Brazilian washed would be deliverable at 4 cents below the "basis" for the contract, whereas most Central American coffees are deliverable at basis.

Arabica from Colombia, whose producers Mr Seevers said were also worried, trades at 2 cents above basis. Central American producers say uncertainties over the likely volume and quality of Brazilian washed could affect the "C" contract's validity for hedging.

"We are going to begin to lose transparency," said Mr Seevers. "If they decided to accept Brazilian coffee, we would be looking at the possibility of leaving the exchange in New York and going to another exchange."

Jim Bowe, CSCE president, said the exchange wanted the contract to "reflect current commercial realities" but would not change if the impact on the market would be adverse.

Manila sees fall in coconut crop

By Justin Marozzi in Manila

Coconut production in the Philippines may fall 10 per cent in 1998 as a result of El Niño, the abnormal warming of the Pacific that disrupts global weather systems.

The Philippine Coconut Authority's warning – echoed by local commodities traders – comes as the southern region of Mindanao is being severely hit by a drought brought on by El Niño, which has damaged crops such as rice and coconuts.

Mindanao accounts for about a half of the total national coconut output. In some parts of the region, the situation is so bad that local officials have reported cases of families eating poisonous root vegetables to avoid starvation.

Farmers say that unless June brings rains, after more than a year of sub-normal rainfall, output will fall further.

El Niño's effects on local coconut oil production are regarded by traders as critical because, together with neighbouring Indonesia, the Philippines produces about 80 per cent of global output. The prospect of weakening supplies has already pushed up the price of coconut oil in Europe.

"Prices have been moving up in line with the supply situation," said a partner in a local commodities group. "You have a surplus in Europe and in Indonesia restrictions on exports and higher export duties."

The election season in the Philippines is also having an impact on the short-term

The region of Mindanao, which accounts for half national output, has been hit by drought

outlook, with farmers and workers campaigning for local candidates rather than attending to the crops, he added. National elections are due on May 11, after which the production picture should be clearer.

The last time El Niño hit the Philippines in 1982-83 it had a devastating effect, with inflation surging from 4 per cent to 47 per cent, the agriculture sector contracting by 3.4 per cent, and gross domestic product growth halving from 3.6 to 1.9 per cent.

Coffee falls 8% on fund selling

MARKETS REPORT

By Nikki Tait, Kenneth Gooding and Paul Solman

Coffee dived 8 per cent on the London International Financial Futures Exchange yesterday after heavy fund selling. The July contract closed at $1,760 a tonne, down $156 from Wednesday's close.

Wheat futures on the Chicago Board of Trade rallied in early trading, having sunk close to five-year lows earlier this week, after weekly export figures came in at the upper end of market forecasts. Net wheat sales were 359,000 tonnes, up 22 per cent from the previous week and 24 per cent higher than the four-week average.

However, news of improved growing conditions in Australia and Canada put pressure on prices, and by midday the May contract was trading 3 cents lower, at $2.925 a tonne.

On the London Metal Exchange tightness in the tin market increased and the premium for metal for immediate delivery, compared with three-month tin, increased to $115 a tonne.

Three-month tin ended up $90 a tonne at $5,700. Martin Squires, analyst at Rudolph Wolff, said tin could go to $5,720 a tonne or even $5,775.

Copper was hit by profit-taking and three-month metal closed down $14 a tonne at $1,871.

World oil prices remained weak. In late trading on London's International Petroleum Exchange the June contract for Brent crude was $14.09 a barrel, against Wednesday's close of $14.10.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1453.5-64.5	1470-80
Previous	1439-40	1455-58
High/low		1482/1462
AM Official	1443-44	1471-71.5
Kerb close		1475-76
Open int.	258,166	
Total daily turnover	68,091	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	1305-10	1335-38
Previous	1298-300	1325-27
High/low		1338/1327
AM Official	1298-300	1328-30
Kerb close		1334-38
Open int.	6,075	
Total daily turnover	1,758	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	571.5-72.5	581.5-82.0
Previous	566-7	576-7
High/low		581/578
AM Official	568-8.5	578.5-9
Kerb close		579-80
Open int.	36,079	
Total daily turnover	6,266	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	5420-30	5510-20
Previous	[illegible]	5530-35
High/low		5540/5510
AM Official	5405-10	5500-10
Kerb close		5540-50
Open int.	7,286	
Total daily turnover	50,327	

■ TIN ($ per tonne)

	Cash	3 mths
Close	5790-800	5690-95
Previous	5715-25	5655-60
High/low		5705/5640
AM Official	5760-65	5660-65
Kerb close		5695-700
Open int.	16,779	
Total daily turnover	8,547	

■ ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	1108-09	1133-34
Previous	1103-04	1120-30
High/low		1136/1126
AM Official	1102-02.5	1128-28.5
Kerb close		1129-30
Open int.	79,017	
Total daily turnover	14,187	

■ COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	1859-60	1873.5-74.0
Previous	1877.5-78.5	1890-91
High/low		1886/1864
AM Official	1854-54.5	1868.5-69
Kerb close		1870-71
Open int.	165,394	
Total daily turnover	74,339	

■ LME AM Official £/$ rate: 1.6607

LME Closing £/$ rate: 1.6630

Spot 1.6661 3 mths: 1.6593 6 mths: 1.6539 9 mths: 1.6472

■ HIGH GRADE COPPER (COMEX)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	84.55	-0.20	84.55	83.90	125	880
May	84.60	-0.25	84.90	83.80	5,115	18,710
Jun	85.10	-0.15	85.15	84.60	209	2,624
Jul	85.50	-0.15	86.00	84.70	7,583	18,631
Aug	85.15	-0.05	[illegible]	83.65	144	1,627
Sep	84.90	-0.05	85.00	84.20	564	5,845
Total					14,273	68,282

PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold(Troy oz)	$ price	£ equiv	SFr equiv
Close	312.30-312.80		
Opening	313.30-313.70		
Morning fix	314.50	188.677	466.080
Afternoon fix	312.75	188.054	464.496
Day's High	31[illegible].70-315.10		
Day's Low	312.00-312.40		
Previous close	312.80-313.30		

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	4.55	6 months	4.01
2 months	4.42	12 months	3.79
3 months	4.32		

Silver Fix	p/troy oz.	US cts equiv.
Spot	379.10	632.00
3 months	381.45	633.20
6 months	382.20	632.00
1 year	384.50	632.00

Gold Coins	$ price	£ equiv
Krugerrand	307-310	184-186
Maple Leaf	-	-
New Sovereign	72-76	43-46

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	314.5	+0.9	315.6	313.1	83	271
Jun	315.8	+0.9	316.8	313.8	42,965	[illegible]
Aug	318.1	+0.9	318.2	316.2	191	8,515
Oct	[illegible]					
Dec	[illegible]					
Feb	[illegible]					
Total	[illegible]					

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

[illegible]

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

[illegible]

■ SILVER COMEX (5,000 Troy oz.; Cents/troy oz.)

[illegible]

ENERGY

■ CRUDE OIL NYMEX (1,000 barrels; $/barrel)

[illegible]

■ CRUDE OIL IPE ($/barrel)

[illegible]

■ HEATING OIL NYMEX (42,000 US galls; c/US galls)

[illegible]

■ GAS OIL IPE ($/tonne)

[illegible]

■ NATURAL GAS IPE

[illegible]

■ NATURAL GAS NYMEX (10,000 mmBtu; $/mmBtu)

[illegible]

■ UNLEADED GASOLINE NYMEX (42,000 US galls; c/US galls)

[illegible]

GRAINS AND OIL SEEDS

■ WHEAT LIFFE (100 tonnes; £ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	76.90	+0.75	76.60	76.25	[illegible]	1,021
Jul	78.90	+0.65	78.65	78.35	62	1,926
Sep	78.00	+0.40	-	-	-	143
[illegible]						

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

[illegible]

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

[illegible]

■ BARLEY LIFFE (100 tonnes; £ per tonne)

[illegible]

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

[illegible]

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

[illegible]

■ SOYABEAN MEAL CBT (100 tons; $/ton)

[illegible]

■ POTATOES LIFFE (20 tonnes; £ per tonne)

[illegible]

■ FREIGHT (BIFFEX) LIFFE ($10/index point)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	1005	-	1010	1005	37	531
May	990	-	995	985	[illegible]	325
Jun	975	-	-	-	-	43
Jul	925	-5	925	925	11	321
Oct	1060	[illegible]	1060	1060	13	155
Jan	1080	-	-	-	-	55
Total					74	1,443

	Close	Prev
BFI	1006	1005

PULP AND PAPER

■ PULPEX OMLX (US$; 24 air dry tons)

	Sett price	Day's change	High	Low	Vol	Open int
Jun	534.00	+1.00	534.00	533.00	15	596
Sep	556.00	-1.00	557.50	556.00	-	288
Total						

FUTURES DATA

All futures data supplied by CMS.

Wool from Mallett & Co

Australia: auctions held as usual despite fears that the waterfront dispute would lead to cancellation. Prices fell sharply on the opening day but stabilised later. The eastern market indicator fell 18 cents to 596 cents a kg on Tuesday before rising to close 12 cents down. The western market indicator closed 16 cents down at 550 compared with April 2. New Zealand: the indicator was 8 cents higher at 431 cents a kg. *Halfbreds* were cheaper while lambs were dearer.

SOFTS

■ COCOA LIFFE (10 tonnes; £/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	1072	+11	1076	1054	5,666	20,416
Jul	1094	+13	1098	1075	3,344	20,949
Sep	1112	+11	1116	1095	319	22,869
[illegible]						

■ COCOA CSCE (10 tonnes; $/tonnes)

[illegible]

■ COCOA (ICCO) (SDR's/tonne)

[illegible]

■ COFFEE LIFFE ($/tonne)

[illegible]

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

[illegible]

■ COFFEE (ICO) (US cents/pound)

[illegible]

■ WHITE SUGAR LIFFE (50 tonnes; $/tonne)

[illegible]

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

[illegible]

■ COTTON NYCE (50,000lbs; cents/lbs)

[illegible]

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
May	94.75	+2.05	95.25	92.50	1,765	8,755
Jul	98.25	+1.00	98.75	95.10	1,788	11,692
Sep	101.20	+1.65	101.90	98.40	112	4,676
Nov	104.05	+1.95	104.50	102.10	87	3,774
Jan	105.80	+2.10	105.70	105.70	62	1,357
Mar	109.35	+2.25	109.20	109.20	76	791
Total					4,704	31,625

VOLUME DATA

Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears. Volume & Open Interest totals are for all traded months.

INDICES

■ Reuters (Base: 18/9/31 = 100)

Apr 23	Apr 22	month ago	year ago
1648.8	1650.2	1669.3	1978.5

■ CRB Futures (Base: 1967 = 100)

Apr 22	Apr 21	month ago	year ago
225.31	227.23	-	-

■ GSCI Spot (Base: 1970 = 100)

Apr 22	Apr 21	month ago	year ago
166.87	169.06	170.86	194.14

LME WAREHOUSE STOCKS (tonnes)

Aluminium	-50	to	509,750
Aluminium alloy	-120	to	46,760
Copper	-3,475	to	293,325
Lead	+325	to	107,325
Nickel	-186	to	65,400
Zinc	-1,175	to	400,800
Tin	-270	to	6,000

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	65.775	-0.475	66.200	65.425	1,425	1,343
Jun	67.700	-1.100	68.600	67.600	14,672	46,472
Aug	68.950	-0.425	69.625	68.500	3,161	20,687
[illegible]						

■ LEAN HOGS CME (40,000lbs; cents/lbs)

[illegible]

■ PORK BELLIES CME (40,000lbs; cents/lbs)

[illegible]

LONDON TRADED OPTIONS

[illegible]

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel)

[illegible]

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

[illegible]

■ NATURAL GAS (Pence/therm)

[illegible]

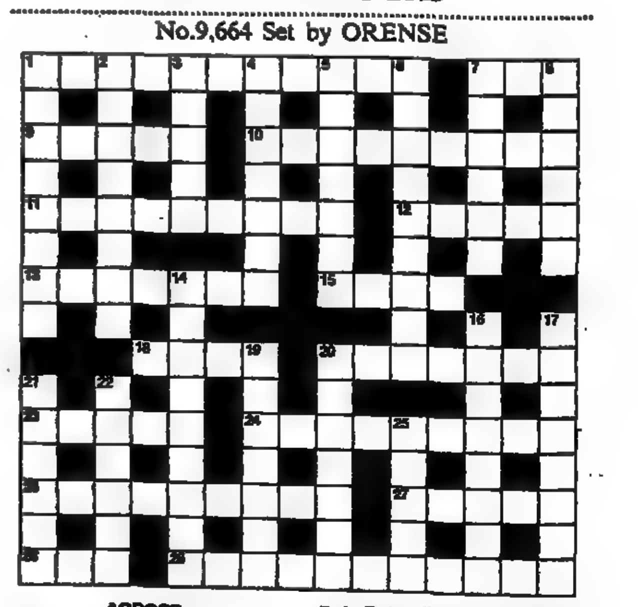
■ OTHERS

[illegible]

JOTTER PAD

CROSSWORD

No.9,664 Set by ORENSE



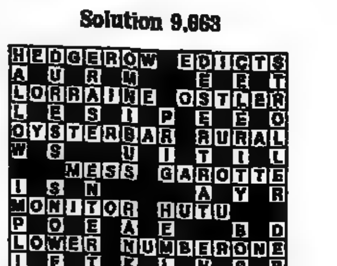
ACROSS

1 Memories of what happened after a false start (5,6)
7 End payment for service (3)
9 Sensational clue – grids without edges (5)
10 Workshare involving Eric initially in the theatre (9)
11 Little known dish tried once (9)
12 Tease American returning to his sweetheart (5)
13 Drink it back – first couple of meetings due at four (7)
15 Break partnership on father's return (4)
18 Stop to pack (4)
20 Sideways move can easily begin following request (7)
23 Topless club, say (5)
24 Company men at work – heavens! (9)
26 Driving force to support the Spanish, and the French run (9)
27 Portly beer-swilling parliamentarian (5)
28 Strike out odds on the match (3)
29 Cast aspersions on a couple of pitches (5,6)

DOWN

1 Put up with development role in gallery (8)
2 Reverse gear lets one down (8)
3 Heavily burdened, boy went inside (5)
4 Drug test leads to intended victim escaping, causing much feeling (7)
5 A Peter Pan is discovered in stage lessons (7)
6 Advances on hospital ship generating interest (9)
7 Couple, for example, returned with a bit of pain (6)
8 Look round worker's store (6)
14 Cross between Home Counties and outskirts of Consett (9)
16 Support holy name following articles in France and Germany (8)
17 Worried about stress, left first half (8)
19 He goes on talk radio at first (7)
20 Run into top team pilots (7)
21 Production not in place (6)
22 Made an effort, overworked on the way (6)
25 A standard time at a distance (5)

Solution 9,663



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FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (FSA RECOGNISED)

Fidelity Currency Funds Ltd

BERMUDA (REGULATED)(**)

GUERNSEY (FSA RECOGNISED)

GUERNSEY (REGULATED)(**)

Royal Bk of Canada O/S Fd Mgrs Ltd

IRELAND (FSA RECOGNISED)

AIB Fund Management Ltd

Aberdeen Prolific International Fund Plc

Lazard Investment Funds Ltd

Bank of Ireland Unit Managers Ltd - Contd.

Barclays Global Investors Ireland Ltd

Baring International Fd Mgrs (Ireland) Ltd

Scottish Value Management (Ireland) Ltd (x)

Edgehill Select Group

Egerton Capital European Fund Plc

Emerging Market Growth Fund Plc

F.I.T. Investment Trust Ltd (x)

Saltarn Investment Mngt (Ireland) Ltd

Singer & Friedlander Closed Funds Plc

Skandia Select Fund Plc

Societe Generale Group

Super Phoenix Fund

Super Phoenix Fund II

Trainer Wortham & Company Inc

Ulster Bank Investment Services

Singer & Friedlander Inv Funds Ltd (x)

FTF Forex Trading & Finance SA

Fortune International Global Funds

Findlay Park US Smaller Companies Fund Plc

Foreign & Colonial Emerging Markets Ltd

IRELAND (REGULATED)(**)

ISLE OF MAN (FSA RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (FSA RECOGNISED)

Perpetual Fund Management - Contd.

Prudential Fund Managers (Jersey) Ltd

Royal Bank of Scotland Fd Mgrs (Jersey) Ltd

Royal Bank of Scotland International Ltd

Standard Bank Fund Mngmt (Jersey) Ltd

JERSEY (REGULATED)(**)

LUXEMBOURG (FSA RECOGNISED)

Offshore Funds and Insurances

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ABN AMRO Funds - Contd.

Aberdeen Fund Mngrs (Luxembourg) Ltd (u)

4 Boulevard Royal L 2449 Luxembourg 00 352 227001

American Phoenix Investment Portfolios (u)

13 rue Goethe, L-1637 Luxembourg 00 352 40464211

Fleming Group - Contd.

Foreign & Colonial Emerging Markets Ltd (u)

Exchange Ho, Primrose St, Ldn, EC2A 2NY 0171-628 1234

Foreign & Colonial Portfolios Fd Sicav (u)

47 Boulevard Royal, L-2449 Lux 00 352 4640101

Frondinvest I (u)

Mercury Asset Management - Contd.

Morgan Stanley Sicav

ACM Offshore Funds - Contd.

Credit Suisse Asset Mgmt Funds - Contd.

Merrill Lynch Asset Management - Contd.

Swiss Bank Corporation - Contd.

Equitable Life (International)

LUXEMBOURG (REGULATED)(**)

ACM Offshore Funds

OFFSHORE INSURANCES

Mercury Asset Management

Merrill Lynch Asset Management

Swiss Bank Corporation

هكذا من الاصل

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

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OTHER OFFSHORE FUNDS

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

BANKS, RETAIL

BREWERIES, PUBS & REST

BUILDING MATS. & MERCHANTS

CHEMICALS

CONSTRUCTION

CONSTRUCTION - Continued

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ENGINEERING

ENGINEERING - Continued

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES - Continued

EXTRACTIVE INDUSTRIES

EXTRACTIVE INDUSTRIES - Continued

FOOD PRODUCERS

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS & TEXT

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Continued

INV TRUSTS SPLIT CAPITAL

هكذا من الأصل

هكذا من الاصل

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Continued

[illegible]

OTHER INVESTMENT TRUSTS

The following investment trusts are not eligible for inclusion in the FTSE Actuaries Share Indices.

[illegible]

INVESTMENT COMPANIES

[illegible]

LEISURE & HOTELS

[illegible]

LIFE ASSURANCE

[illegible]

MEDIA

[illegible]

MEDIA - Continued

[illegible]

OIL EXPLORATION & PRODUCTION

[illegible]

OIL, INTEGRATED

[illegible]

OTHER FINANCIAL

[illegible]

PAPER, PACKAGING & PRINTING

[illegible]

PHARMACEUTICALS

[illegible]

PHARMACEUTICALS - Continued

[illegible]

PROPERTY

[illegible]

PROPERTY - Continued

[illegible]

RETAILERS, FOOD

[illegible]

RETAILERS, GENERAL

[illegible]

RETAILERS, GENERAL - Continued

[illegible]

SUPPORT SERVICES

[illegible]

SUPPORT SERVICES - Continued

[illegible]

TELECOMMUNICATIONS

[illegible]

TOBACCO

[illegible]

TRANSPORT

[illegible]

TRANSPORT - Continued

[illegible]

WATER

[illegible]

AIM

[illegible]

AIM - Continued

[illegible]

AIM is a market designed primarily for small companies, is regulated by the London Stock Exchange and has less demanding rules than the UK Official List.

AMERICANS

[illegible]

CANADIANS

[illegible]

SOUTH AFRICANS

[illegible]

TRADED INDEX SECURITIES

	Notes	Price	+ or -	52 week high	low	Volume '000s	Yld Gr's	P/E
FTSE 100 TRAINS		[illegible]	–	[illegible]	6472	–	–	–

GUIDE TO LONDON SHARE SERVICE

Prices and trading volumes for the London Share Service are delivered by Extel, part of Financial Times Information.

Company classifications are based on those used for the FTSE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. For FTSE 100 index constituents and reserves contained in the Trading Volume table on the LSE page, last trade prices at or prior to 4.30pm market close are shown, as these shares are now traded on the Stock Exchange Electronic Trading System ("SETS"). Highs and lows are based on intra-day mid-prices/last trades over a rolling 52 week period.

Trading Volumes are end of day accumulated totals. Dashes indicate that either no trade has taken place during the day or the data is not available for those particular securities. Volumes shown for foreign securities are based on London trading.

Where stocks are denominated in currencies other than sterling, this is indicated after the name. Prices shown for some of these foreign securities are converted into sterling from latest available local Stock Exchange prices.

Symbols referring to dividend status appear in the notes column only as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Earnings used in calculations are based on IIMR 'Headline Earnings' formula.

Price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures.

Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- * Highs and lows marked thus have been adjusted to allow for capital changes.
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ♦ Figures or report awaited
- ♥ Rule 2.1(a)(iv) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below
- ‡‡ Rule 4.2(a) Irish incorporated non-listed companies.
- # Price at time of suspension
- Indicated dividend yield after pending scrip and/or rights issue
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield, p/e based on earnings updated by latest interim statement.
- ◊ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast or estimated annualised dividend yield, p/e based on previous year's earnings
z Dividend yield includes a special payment.
F Yield based on prospectus or other official estimate for 1998-99.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimate for 1997.
K Yield based on prospectus or other official estimate for 1998.
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1997-98.
P Dividend is paid in whole or part as a FID (Foreign Income Dividend)
R Forecast annualised yield, p/e based on prospectus or other official estimates.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xo ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1495 a year for each security shown, subject to the Editor's discretion.

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Sterling helps FTSE 250 overtake 100 index

MARKET REPORT

By Steve Thompson, UK Stock Market Editor

The London market's second-liners eclipsed the leaders yesterday, powering ahead and driving the FTSE 250 to intra-day and closing records for the second consecutive session.

The FTSE 100 constituents were left trailing by the pace of the latter and were again hit by a sizeable sell-off affecting most of the financial areas of the market. The small-cap stocks continued their gradual advance, closing relentlessly on their all-time highs.

The winning performances *from the minor FTSE* indices, but particularly the 250, were triggered by a significant shift in sentiment in sterling after the revelation that one of the so-called "hawks" in the Bank of England's monetary policy committee had shifted his stance and is now advocating leaving interest rates on hold.

The committee was said in the report to have voted 5-3 in favour of rates staying as they are, having been split 4-4 for the previous three meetings. Dealers said the market interpreted the change of heart as an indication that UK rates had peaked in the current cycle, with the consequent implications for sterling.

Sterling fell below DM3 to a seven-week low against the German currency, with the Bank of England's exchange rate index slipping back to 105.9, compared with 106.2 overnight.

Outside the monetary policy committee/currency stories it was a rather confused trading session in th equity market. Wall Street gave no real lead for European markets overnight, the Dow Jones finishing 8 points lower. And, with Asian markets generally quietly lower, it was left to London stocks to find their own way at the outset.

The reports of a shift towards a more benign interest rate outlook produced a good initial performance by the whole market, the FTSE 100 marching ahead to post an early gain of almost 40 points.

Sentiment, already positive, was given a further lift with news that retail sales had risen 0.3 per cent last month to a year-one-year figure of 4.1 per cent, well within most economists' forecasts and in keeping with the recent batch of economic news viewed as interest rate friendly.

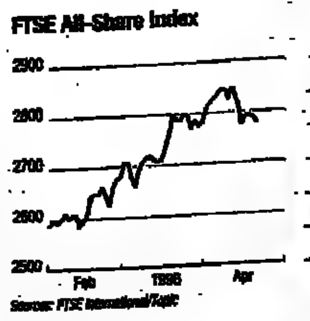
The FTSE 100 finished the day 33.0 lower at 5,898.1, having swung in a near-120 point arc during the day. At its best, shortly after the retail sales news, it posted a near 40-point rise before falling rapidly as Wall Street came in dully.

At its worst, the index showed a 79.7 decline, falling decisively below 5,900 only to rally at the close. One feature of the session was the gradual pick-up in market turnover. At 6pm, overall business in the market reached 1.08bn shares, well ahead of recent levels.

Top gun in the FTSE 100 was Smiths Industries, which jumped almost 10 per cent, with other manufacturers and exporters also making rapid progress as sterling dipped.

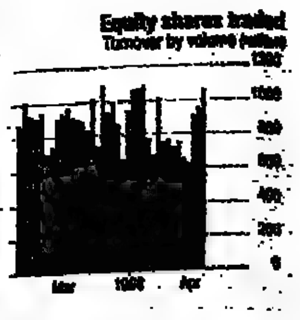
The FTSE 250 has now overtaken the FTSE 100 as the best performing FTSE index this year. *The 250 has* risen 17.1 per cent since the turn of the year, the FTSE 100 14.8 per cent and the SmallCap 14.1 per cent.

FTSE All-Share Index



Source: FTSE International/Topic

Equity shares traded
Turnover by volume (million)



Indices and ratios

FTSE 100	5898.1	-33.0
FTSE 250	5604.4	+33.9
FTSE 350	2846.6	-9.6
FTSE All-Share	2777.09	-8.49
FTSE All-Share yield	2.81	2.80
FT 30	3781.4	-3.4
FTSE Non-Fins p/e	22.46	22.47
FTSE 100 Fut Jun	5898.0	-75.0
10 yr Gilt yield	5.90	5.88
Long gilt/equity yld ratio	2.11	2.12

Best performing sectors

1 Electronic & Elect Equip +3.1
2 Engineering +2.5
3 Building Matls +2.4
4 General Inds +1.9
5 Extractive Inds +1.8

Worst performing sectors

1 Banks: Retail -2.1
2 Life Assurance -1.9
3 Insurance -1.8
4 Retailers: Food -1.7
5 Other Financial -1.3

UK rates hope lifts engineers

COMPANIES REPORT

By Martin Brice, Peter John and Joel Kibazo

Prospects that UK interest rates might have peaked set *the FTSE 250 alight as* investor interest lifted engineering stocks out of the doldrums.

The most highly geared play on sterling weakness, British Steel, put in one of the best performances in the FTSE 100 as the stock gained 7½ to 159¾p in brisk trade of 20m shares. Rolls-Royce was also a good Footsie riser, gaining 4½ to 275½p.

Smiths Industries was the Footsie's best performer because of a bullish statement from Boeing, Smiths' biggest customer.

Robert Speed at Henderson Crosthwaite said: "Boeing accounts for around 75 per cent of Smiths' civil aircraft revenues and the continuing success of the 737 and 777 are of material benefit to Smiths." Smiths gained 76½ to 886½p.

In the FTSE 250, which is heavily weighted towards engineers, IMI rose 23½ to 486½p because of an analysts' visit to the company. BBA lifted 24 to 486p as the stock basked in the afterglow of its recent purchase of Veratec.

And BPB highlighted the exposure of some building-related stocks to overseas markets and rose 29 to 404p, the best performance in the second-line index.

Elsewhere, GEC continued to reflect satisfaction with this week's deal with Tracor of the US, and the shares gained 19 to 497p.

CSFB's Simon Street has told clients the Tracor deal is "a positive step in expanding the group's presence in the key US defence market".

Elsewhere in the Footsie, *Siebe was up 71 at £14.30.*

Reuters, the news and financial information group which has been badly hit by adverse currency shifts and projected millennium costs gave a ray of hope to investors yesterday.

The group has been hosting Infoworld – its biennial showcase presentation in Geneva – and, yesterday, the company outlined its potential to fund managers and analysts.

Its principal thrust was a cut-price product which will compete with internet technology and which is expected to appeal to a hitherto untapped market of private *investors and back office* researchers.

Brian Newman, long-standing Reuters specialist at Henderson Crosthwaite, said the move would extend *the company's reach beyond* the trading floor.

"Reuters has presented an exciting new range of off-floor trading products which could double the number of users within five years," said Mr Newman.

The shares, which experienced some additional relief from sterling's slight dip against the US dollar and *D-Mark, jumped 26 to 660p.*

The spotlight was firmly fixed on Great Universal Stores and Argos, as the former's bid for the latter cruised into the final stages. The offer closes today.

Dealers have been waiting all week to see if there would be a dawn raid on Argos, which they believed would be a signal of GUS's confidence.

However as the session drew to a close, there was a feeling that improved investor confidence in Argos seen in recent weeks, may see it escape the clutches of its predator. A large trade in the traded options also appeared to point to failure by GUS. Volume in the June 900p calls rose sharply to 1,020 contracts, the equivalent of about 1m shares.

GUS closed 2 ahead at 814p while Argos lost 8 to 608p.

Vodafone, the mobile phone group, moved against the poor market trend after ABN Amro recommended the stock and upgraded current-year profits expectations.

Vodafone benefits

In a weighty review of the telecoms sector published yesterday, ABN suggests that in 10 years' time up to 75 per cent of voice traffic will be on mobile phones. It believes Vodafone "will be the main beneficiary of fixed mobile convergence".

The report says: "Vodafone enjoys a particularly strong market position in the UK. It is the largest individual operator [serving 36 per cent of customers], and has a particularly high market share among corporate subscribers [who generate high levels of traffic and profits]."

The broker upgraded its current-year profits forecast by a hefty £140m to £880m.

In the rest of the sector, British Telecommunications was a feature after the government confirmed it is to allow it to provide nationwide broadcasting services from 2001. The move came a year earlier than expected.

The shares hardened 4½ to 653p with volume reaching 10m.

Energis was a poor market, as was Colt Telecom. The former eased 15½ to 683½p while the latter gave up 10 to £13.05.

Credit Lyonnais regards *both stocks as "overvalued."*

Monument Oil and Gas improved after the announcement of an agreement with Mobil and the state oil company of Turkmenistan to develop energy resources in the west of that country. Extending a rebound from a 17-month low of 55¾ set earlier this month, Monument rose 2½ *to 64¾p.*

The positive exploration news ticked over to Cairn, which was affected early in the week by a badly handled agency cross and which jumped 19½ to 340p.

Buoyant new business figures lifted Legal & General a penny to 686p, while the shares received additional support from a strong "buy" *recommendation from SG* Securities.

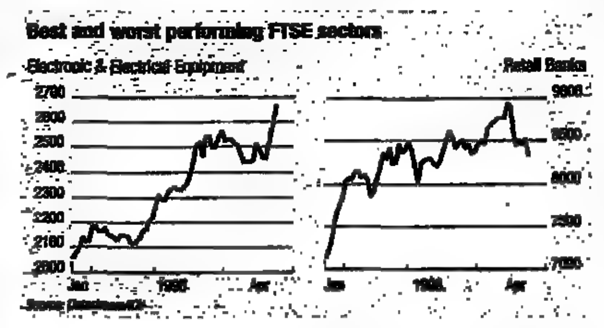
ICI was comparatively steady with the shares easing only a penny to £10.84 after satisfactory first-quarter figures.

The latest newspaper circulation figures led to a shift in the fortunes of a couple of companies as Panmure Gordon took the opportunity to recommend a switch.

Panmure pointed out that the figures showed Pearson overseas sales were not as stunning as expected while United News was performing strongly. Also, Pearson, which owns the Financial Times, had exceeded Panmure's price target by 9 per cent while United had underperformed it by 19 per cent. Pearson fell 30 to 946p and United lifted 4 to 794p.

Unilever, the Anglo-Dutch food and home products giant, firmed 2 to 621½p, in busy trade of 9.8m as rumours circulated late in the session that it was poised to make an offer for Raisio, the Finnish food and chemicals group.

Best and worst performing FTSE sectors



FT 30 INDEX

	Apr 23	Apr 22	Apr 21	Apr 20	Apr 17	Yr ago	*High	*Low
FT 30	3781.4	3784.8	3784.6	3789.5	3764.8	2880.1	3872.4	3757.5
Ord. div. yield	2.90	2.89	2.89	2.89	2.91	3.87	[illegible]	2.83
P/E ratio net	24.46	24.52	24.54	24.55	24.39	17.17	25.86	18.80
P/E ratio nil	24.25	24.30	24.32	24.33	24.17	16.99	24.84	18.71

FT 30 since compilation: high 3897.0 08/04/98; low 49.4 26/06/40. Base Date 1/7/35.

FT 30 hourly changes

Open	9	10	11	12	13	14	15	16	High	Low
3784.8	3788.5	3808.1	3804.2	3805.0	3795.6	3794.7	3782.7	3783.4	3813.0	3767.5

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STOCK MARKET TRADING DATA

	Apr 23	Apr 22	Apr 21	Apr 20	Apr 17	Yr ago
SEAQ bargains	61,796	62,325	62,144	60,948	61,623	46,319
Equity turnover (£m)†	-	na	2906.5	2750.4	2569.9	2346.3
Equity bargains†	-	na	50,001	52,795	52,622	44,561
Shares traded (m)†	-	na	705.2	711.2	705.2	733.9
Total market bargains‡	-	na	61,590	64,205	66,391	na
Total turnover (£m)‡	-	na	3895.9	3598.6	3619.9	na
Total shrs traded (m)‡	*1080.0	na	934.4	901.8	927.0	na
Tradepoint turnover (£m)	35.8	18.4	24.0	12.8	19.9	5.7
Tradepoint shrs traded	7,586	4,383	5,436	4,144	10,878	2,169

†Excluding intra-market and overseas turnover but including Crest turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover.

London market data

Rises and falls*		52 Week highs and lows		LIFFE Equity options	
Total Rises	884	Total Highs	184	Total contracts	30,646
Total Falls	809	Total Lows	20	Calls	16,508
Same	1,308			Puts	14,138

Apr 23 *Data based on Equity shares listed on the London Share Service.

FUTURES AND OPTIONS

■ FTSE 100 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	5985.0	5898.0	-75.0	6024.0	5886.0	22043	154318
Sep	6070.0	5974.0	-77.0	6070.0	5978.0	1625	7811
Dec		6068.0	-75.0			0	6

■ FTSE 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun		5645.0	+33.0			0	[illegible]

■ FTSE 100 INDEX OPTION (LIFFE) (*5882) £10 per full index point

■ EURO STYLE FTSE 100 INDEX OPTION (LIFFE) £10 per full index point

Calls 4,038 Puts 4,178 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

LONDON RECENT ISSUES: EQUITIES

FTSE GOLD MINES INDEX

FTSE Actuaries Share Indices — The UK Series

Produced in conjunction with the Faculty and Institute of Actuaries

■ FTSE Actuaries Industry Sectors

■ Hourly movements

TRADING VOLUME

■ Major Stocks yesterday

FTSE INTERNATIONAL

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Apr 23 / Sch)

BELGIUM/LUXEMBOURG (Apr 23 / Frs.)

CZECH REP (Apr 23 / Korona)

DENMARK (Apr 23 / Kr)

FINLAND (Apr 23 / Mks)

FRANCE (Apr 23 / Frs.)

GERMANY (Apr 23 / Dm.)

GREECE (Apr 23 / Drachma)

ITALY (Apr 23 / Lira)

NORWAY (Apr 23 / Kroner)

POLAND (Apr 23 / Zloty)

PORTUGAL (Apr 23 / Escudo)

SPAIN (Apr 23 / Pts.)

NETHERLANDS (Apr 23 / Fls.)

SWEDEN (Apr 23 / Kronor)

SWITZERLAND (Apr 23 / Frs.)

TURKEY (Apr 23 / Tk Lira)

PACIFIC

JAPAN (Apr 23 / Yen)

AUSTRALIA (Apr 23 / Aust$)

HONG KONG (Apr 23 / H.K.$)

INDONESIA (Apr 23 / Rupiah)

MALAYSIA (Apr 23 / MYR)

NEW ZEALAND (Apr 23 / NZ $)

SINGAPORE (Apr 23 / S$)

SOUTH KOREA (Apr 23 / Won)

TAIWAN (Apr 23 / TW $)

THAILAND (Apr 23 / Baht)

AMERICAS

CANADA

TORONTO (Apr 23 / Can $)
4 pm close

MONTREAL (Apr 23 / Cns $)
4 pm close

MEXICO (Apr 23 / Peso)
12.30pm

AFRICA

SOUTH AFRICA (Apr 23 / Rand)

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd. was a co-founder of the indices.

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	WEDNESDAY APRIL 22 1998 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	TUESDAY APRIL 21 1998 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 52 week High	52 week Low	Year ago (approx)
Australia (73)	217.65	0.3	192.88	179.67	202.74	222.08	-0.2	[illegible]	217.02	192.05	180.24	202.00	222.49	243.87	190.26	221.97
Austria (23)	235.80	2.1	208.74	194.66	[illegible]	219.48	2.2	1.49	230.89	204.33	191.76	214.92	214.76	235.80	179.21	181.98
Belgium (26)	335.44	0.0	296.95	276.91	312.46	305.88	0.1	2.36	335.30	296.72	278.47	312.10	305.53	335.44	234.38	236.85
Brazil (30)	258.01	-2.9	228.40	212.99	240.33	542.50	-2.8	1.90	265.66	235.10	220.83	247.28	558.09	322.44	184.94	237.79
Canada (120)	248.78	0.5	220.23	205.37	231.73	258.01	0.6	1.55	247.57	219.09	205.61	230.44	256.43	248.78	184.53	185.62
Denmark (34)	517.04	-0.3	457.71	426.82	[illegible]	480.53	-0.3	1.26	518.83	459.14	430.89	482.93	481.88	521.61	355.66	358.87
Finland (26)	430.00	-2.1	380.66	354.97	[illegible]	490.65	-2.1	1.84	439.33	388.79	364.87	408.93	501.08	439.33	247.33	247.33
France (79)	302.44	-0.8	267.73	249.67	[illegible]	285.07	-0.8	2.06	304.77	269.71	253.11	283.68	286.89	305.13	209.81	209.81
Germany (58)	288.98	-0.5	255.82	238.55	268.18	[illegible]	-0.4	[illegible]	290.40	256.99	241.18	270.31	270.31	290.93	196.36	197.46
Hong Kong, China (66)	332.18	[illegible]	294.06	274.21	309.41	330.50	-0.2	4.78	332.83	294.54	276.42	309.80	331.14	580.03	282.93	454.04
Indonesia (27)	58.09	0.0	51.42	47.95	[illegible]	283.29	0.6	2.40	[illegible]	51.41	48.25	54.08	281.56	254.90	27.67	230.06
Ireland (16)	557.63	-0.5	493.64	460.33	519.42	558.73	-0.4	1.74	560.44	495.96	465.44	521.66	560.99	560.44	328.78	332.37
Italy (54)	[illegible]	-0.7	153.56	143.20	161.58	229.51	-0.6	1.11	[illegible]	154.53	145.02	162.54	230.98	177.15	85.70	87.51
Japan (480)	96.90	0.2	85.78	79.99	90.26	79.99	-0.4	0.99	96.67	85.55	80.29	89.98	80.29	141.12	88.52	114.17
Malaysia (107)	182.83	-1.4	161.85	150.93	170.30	265.20	-0.7	2.60	185.39	164.06	153.96	172.56	267.09	550.90	113.56	550.90
Mexico (29)	1725.55	[illegible]	1527.54	1424.45	1607.32	15965.61	-0.3	1.44	1733.73	1534.27	1439.88	1613.76	16015.70	1901.98	[illegible]	1376.44
Netherlands (19)	511.33	0.0	452.65	422.10	476.29	470.79	0.1	1.96	511.15	452.34	424.51	475.78	470.39	[illegible]	344.68	347.82
New Zealand (14)	75.74	0.3	67.05	62.53	70.55	71.92	[illegible]	4.54	75.55	66.85	62.74	[illegible]	71.57	98.47	71.49	85.16
Norway (38)	346.55	-0.2	306.78	286.08	322.80	349.73	-0.2	1.79	347.16	[illegible]	288.31	323.14	350.32	374.84	261.62	300.00
Philippines (22)	97.70	-0.8	[illegible]	80.65	91.01	186.60	0.2	1.10	98.24	86.94	81.59	91.44	[illegible]	[illegible]	57.54	[illegible]
Singapore (42)	207.37	-1.2	183.57	171.18	193.16	151.61	-1.5	1.97	209.94	185.78	174.35	[illegible]	[illegible]	401.75	144.01	[illegible]
South Africa (43)	340.93	-0.1	301.81	281.44	[illegible]	378.13	-0.1	2.36	[illegible]	301.90	283.32	[illegible]	378.44	385.52	227.66	357.64
Spain (31)	388.74	-1.4	[illegible]	320.91	[illegible]	448.31	-1.3	1.71	[illegible]	[illegible]	327.30	366.83	454.09	396.69	223.31	224.21
Sweden (48)	595.56	-2.4	527.22	491.64	554.75	676.53	-2.4	1.73	608.93	539.76	506.55	567.72	692.87	610.82	405.00	415.58
Switzerland (30)	392.22	-0.5	347.21	323.78	365.35	360.88	-0.7	1.08	394.04	348.70	327.25	366.77	363.31	408.53	[illegible]	284.46
Thailand (39)	26.96	-0.6	23.86	22.25	25.11	[illegible]	-0.1	[illegible]	27.12	24.00	22.52	25.24	[illegible]	81.98	18.10	61.88
United Kingdom (209)	389.54	-0.3	344.84	321.57	362.85	344.84	-0.3	2.84	390.88	345.92	324.63	363.84	345.92	401.84	282.05	283.22
USA (637)	[illegible]	0.3	409.15	381.54	[illegible]	462.18	[illegible]	1.38	460.67	407.67	382.59	426.79	460.67	462.18	309.52	313.42
Americas (816)	418.95	0.3	[illegible]	[illegible]	390.24	353.85	[illegible]	1.40	417.71	369.65	346.81	388.80	352.78	418.95	[illegible]	286.74
Europe (694)	358.15	-0.6	317.05	295.65	333.61	336.94	-0.5	2.00	360.16	318.73	299.11	335.24	338.73	363.50	243.43	244.29
Nordic (149)	523.85	-1.8	463.74	[illegible]	487.95	[illegible]	-1.8	1.68	533.60	472.21	[illegible]	496.68	534.86	533.60	355.77	361.58
Pacific Basin (870)	107.45	0.1	95.12	88.70	100.09	89.52	-0.3	1.65	107.30	94.96	89.11	99.88	89.84	158.88	95.32	133.16
Euro-Pacific (1584)	211.94	-0.3	187.62	174.96	197.42	182.67	-0.5	[illegible]	212.69	188.22	176.64	197.97	183.54	216.04	[illegible]	178.49
North America (757)	448.61	0.3	397.13	[illegible]	417.87	448.46	[illegible]	1.39	447.11	395.67	371.32	[illegible]	446.94	448.61	301.87	305.56
Europe Ex. UK (485)	331.13	-0.7	[illegible]	273.35	308.44	322.91	-0.6	1.56	333.37	295.01	276.86	310.30	325.01	339.98	216.94	218.16
Pacific Ex. Japan (390)	201.80	-0.2	178.65	166.59	187.98	201.77	[illegible]	[illegible]	202.16	178.91	167.90	188.18	202.34	318.98	161.31	283.03
World Ex. US (1785)	216.37	-0.3	191.54	178.62	[illegible]	180.59	-0.4	[illegible]	217.10	[illegible]	180.30	202.08	191.44	220.18	175.30	[illegible]
World Ex. UK (2214)	286.70	0.1	253.80	236.67	267.05	261.41	[illegible]	1.48	286.57	253.60	237.99	[illegible]	[illegible]	287.02	217.43	218.79
World Ex. Japan (1943)	394.13	0.0	348.90	325.36	367.12	386.52	0.0	1.70	394.21	348.86	327.39	366.93	386.55	394.39	278.23	280.54
The World Index (2423)	295.42	0.0	261.52	243.87	275.18	269.00	-0.1	1.62	295.41	261.42	245.34	274.97	269.13	296.57	222.81	224.26

Emerging markets: IFC Investable indices

4 pm close April 23

NEW YORK STOCK EXCHANGE PRICES

1998 High	Low	Stock	Div	Yld %	P/E	Vol 100s	High	Low	Close Quote	Chng Prev. Close
- A -										
[illegible]										
- B -										
[illegible]										
- C -										
[illegible]										
- D -										
[illegible]										
- E -										
[illegible]										
- F -										
[illegible]										
- G -										
[illegible]										
- H -										
[illegible]										
- I -										
[illegible]										
- J -										
[illegible]										
- K -										
[illegible]										
- L -										
[illegible]										
- M -										
[illegible]										
- N -										
[illegible]										
- O -										
[illegible]										
- P - Q -										
[illegible]										
- R -										
[illegible]										
- S -										
[illegible]										
- T -										
[illegible]										
- U -										
[illegible]										
- V -										
[illegible]										
- W -										
[illegible]										
- X - Y - Z -										
[illegible]										

Price data supplied by Extel, part of FT Information.

Yearly highs and lows for NYSE reflect the period from Jan 1 1998. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Volume figures are unofficial.

d-new yearly low. P/E price-earnings ratio. vol- volume. u-new yearly high. x-ex-dividend or ex-rights. yld-yield. z-sales in full. # Dealings suspended.

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GLOBAL EQUITY MARKETS

US INDICES

Dow Jones	Apr 22	Apr 21	Apr 20	1998 High	1998 Low	Since compilation High	Since compilation Low
Industrials	9176.72	9184.94	9141.84	9184.94 (21/4)	7580.42 (9/1)	9184.94 (21/4/98)	41.22 (8/7/32)
Home Bonds	105.04	105.13	105.11	105.48 (15/1)	104.92 (20/1)	105.48 (15/1/98)	54.99 (1/10/81)
Transport	3681.57	3684.91	3680.23	3698.82 (16/4)	3184.36 (9/1)	3686.02 (16/4/98)	13.23 (8/7/32)
Utilities	286.22	287.51	288.32	291.18 (2/4)	262.88 (9/1)	291.18 (2/4/98)	16.53 (8/7/32)

DJ Ind. Day's high 9287.32 (9250.20) Low 9083.80 (9051.41) (Theoretical) Day's high 9213.33 (9193.65) Low 9185.25 (9099.25) (Actual)

Standard and Poors	Apr 22	Apr 21	Apr 20	1998 High	1998 Low	Since compilation High	Since compilation Low
Composite‡	1130.54	1126.67	1123.65	1130.54 (22/4)	927.69 (9/1)	1130.54 (22/4/98)	4.40 (1/6/32)
Industrials¶	1311.46	1308.64	1302.66	1311.46 (22/4)	1077.40 (9/1)	1311.46 (22/4/98)	3.52 (30/6/32)
Financial¶	138.72	138.21	138.81	140.63 (14/4)	110.65 (9/1)	140.63 (14/4/98)	7.13 (4/5/74)
Others							
NYSE Comp.	585.82	584.80	584.01	585.82 (22/4)	487.47 (9/1)	585.82 (22/4/98)	4.64 (25/4/42)
Amex Comp	753.67	749.79	747.95	753.67 (22/4)	648.41 (12/1)	753.67 (22/4/98)	524.20 (16/7/98)
NASDAQ Comp	1917.61	1903.87	1887.14	1917.61 (22/4)	1503.22 (9/1)	1917.61 (22/4/98)	54.87 (3/10/74)
Russell 2000	491.14	491.41	486.81	491.41 (21/4)	410.89 (12/1)	491.41 (21/4/98)	123.38 (7/12/93)

RATIOS

	Apr 17	Apr 3	Mar 27	Year ago
Dow Jones Ind. Div. Yield	1.53	1.56	1.59	1.82

	Apr 22	Apr 15	Apr 8	Year ago
S & P Ind. Div. yield	1.29	1.31	1.33	1.80
S & P Ind. P/E ratio	31.13	30.69	30.27	22.19

US DATA

MARKET ACTIVITY

Volume (million)	Apr 22	Apr 21	Apr 20
NYSE	698.740	673.780	597.530
Amex	29.743	34.737	24.783
NASDAQ	1,035.248	949.779	816.708

NYSE	Apr 22	Apr 21	Apr 20
Issues Traded	3,493	3,504	3,493
Rises	1,396	1,558	1,381
Falls	1,527	1,366	1,557
Unchanged	570	570	555
New Highs	205	186	173
New Lows	34	28	20

NYSE TRADING ACTIVITY

Volume : 698,740,000

ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Day's change
Compaq	22,123,300	28½	+1⅞
Cendant	15,888,100	22¼	−1⅞
LucentTch	10,649,200	76¾	+2⅝
IomOS	8,537,700	25¼	−9⅝
Pfizer	8,116,900	114½	−1⅞
Iomega Cp	8,905,200	8⅞	+¼
PhMorr	6,770,400	38⅞	−⅝
MellnBk	5,904,600	77⅞	+8⅛
IBM	5,738,200	114⅞	−3⅛
Flowers	4,525,100	21¾	−⅞

BIGGEST MOVERS

Wednesday	Close price	Day's change	Day's chge %
Ups			
Allegnce	45¼	+6¾	+17.2
BallCp	40⅜	+4⅛	+11.7
MellnBk	77⅞	+8⅛	+11.6
PhilipsEl	91⅛	+7⅜	+8.1
Downs			
IomOS	25¼	−9⅝	−28.0
AutoRest	27⅞	−4⅛	−12.8
Bluegreen	10⅛	[illegible]	−7.3
Cendant	22¼	−1⅞	−7.1

NASDAQ TRADING ACTIVITY

Volume : 1,035,248,000

ACTIVE STOCKS

[illegible]

BIGGEST MOVERS

[illegible]

Dow Jones

FTSE Eurotop 300

April 1998

JAPAN

	Apr 23	Apr 22	Apr 21	1998 High	1998 Low	Since compilation High	Since compilation Low
Nikkei 225	15781.89	15781.54	15825.67	17264.34	14664.44	38915.8	85.25

Day's high: 15908.40. Day's low: 15650.85.

TOKYO TRADING ACTIVITY

Volume : 323,000,000

ACTIVE STOCKS

Thursday	Stocks traded	Close price	Day's change
Np Steel Cp	13,854,000	213	+4
[illegible]	7,974,000	551	+47
Nissan Mtr	7,737,000	422	[illegible]
Stomo Mtl Ind	5,330,000	227	+7
Taisei Cp	5,135,000	303	−2
Toshiba Cp	4,814,000	599	+1
Mitsui Hvy	3,954,000	504	+2
Hitachi	3,795,000	943	+16
Kwsaki Stl	[illegible]	188	+1
Sekisui Ho	3,325,000	462	[illegible]

BIGGEST MOVERS

Thursday	Close price	Day's change	Day's chge %
Ups			
Toyo Sd Mfg	557	+68	+13.9
Stomo Mt Min	551	+47	+9.3
Kanebo Ltd	220	+18	+8.9
Star Micron	630	+50	+8.6
Downs			
Fuji Car Mfg	171	−22	−11.4
Fukusuke Cp	230	−25	−9.8
Kagawa Chuo	470	−45	−8.7
Kobe Kiito	69	[illegible]	−8.3

FRANCE

	Apr 23	Apr 22	Apr 21	1998 High	1998 Low	Since compilation High	Since compilation Low
CAC 40	3822.13	3836.07	3880.40	3886.78	2862.54	3886.78	984.61

Day's high: 3847.53. Day's low: 3797.27

PARIS TRADING ACTIVITY

Volume : [illegible]

ACTIVE STOCKS

Thursday	Stocks traded	Close price	Day's change
Rhne-Plnc A	2,756,462	292	+2.6
Usinor	2,087,938	91.8	+0.95
Fr.Telecom	1,427,509	325	−2.7
Axa-UAP	1,380,809	710	[illegible]
Elf Aqtne	1,267,492	746	−15
Paribas A	1,182,289	645	+1
Havas	1,076,177	555	[illegible]
Alcatel	877,803	1089	−21
Total B	680,794	678	−3
Euro Disney	868,293	9.45	−0.35

BIGGEST MOVERS

Thursday	Close price	Day's change	Day's chge %
Ups			
Comp	300	+28	+10.7
Unilog	1433	+133	+10.2
[illegible]	297	+27	+10
Lectra Sys	50	+4.4	+9.6
Downs			
Chaussurie	8	[illegible]	−20
GTMH	64.8	−7.2	−10
Coles	981	−109	−10
Kalamazoo	210	−20	−8.7

GERMANY

	Apr 23	Apr 22	Apr 21	1998 High	1998 Low	Since compilation High	Since compilation Low
DAX	5251.46	5360.65	5388.94	5442.00	4087.28	5442	931.18

Day's high: 5300.57 Day's low: 5245.46

FRANKFURT TRADING ACTIVITY

Volume : 18,767,283

ACTIVE STOCKS

[illegible]

BIGGEST MOVERS

[illegible]

UK

	Apr 23	Apr 22	Apr 21	1998 High	1998 Low	Since compilation High	Since compilation Low
FTSE 100	5898.1	5931.1	5955.0	6105.80	5058.80	6105.8	986.9

Day's high: 5970.2. Day's low: 5851.4.

LONDON TRADING ACTIVITY

Volume : 1,0[illegible],000

ACTIVE STOCKS

[illegible]

BIGGEST MOVERS

[illegible]

INDEX FUTURES

[illegible]

WORLD MARKETS AT A GLANCE

[illegible]

THE NASDAQ STOCK MARKET

4 pm close April 23

[illegible]

THE NASDAQ STOCK MARKET

[illegible]

AMEX PRICES

4 pm close April 23

[illegible]

EASDAQ

[illegible]

STOCK MARKETS

Flat dollar reminds investors of rate fears

WORLD OVERVIEW

Global equities had another day of taking stock. Asia was visibly mixed, Europe continued to drift lower and Wall Street made an uncertain start, *writes Jeffrey Brown.*

Weak bonds and a flat dollar continued to call most of the shots, with the latter stubbornly holding below DM1.80 in the European trading day and reminding investors of the perceived upward pressure on European interest rates.

The latest German inflation data came in modestly under analysts' expectations, but failed to take the warning sting out of French manufacturing figures which supplied another clear pointer to the gathering pace of economic activity.

The latest three months' figures taken together show French output growing by an annualised 11.1 per cent compared to the numbers in the quarter to last November.

Against this background, brokers are increasingly peering into the unknown. Their conclusions are understandably tentative, but a number of points are beginning to take shape.

The latest swirl of the tea leaves comes from Goldman Sachs, which expects tightening in the US and Europe to put about 60 basis points on interest rates over the next 12 months.

By then the dollar could be in the region of DM1.60, the broker says. This would be 14 per cent above this month's DM1.85 lows, but would "probably not be sufficient to constitute the outright dollar collapse that would be needed to spell the end of the Goldilocks recovery".

In individual stock markets, there were signs yesterday that investors may be switching away from the so-called olive belt, with Italy and Spain both racking up severe losses.

Aided by buying late in the day, France and Germany finished comfortably above session lows, while Norway, buoyed by a results-led rally for local heavyweight energy conglomerate Norsk Hydro, pushed to a record high.

In Paris, the CAC 40 index clawed back above the 3,800 resistance level after the local bond, which had pushed long yields up close to 5 per cent at one stage during the day, recovered a degree of poise.

Programme selling was said to be behind the shakeout in Italian equities, which fell 3.8 per cent and sent Fiat, which puts out a results statement today, down more than 5 per cent.

In Madrid, privatisation candidate Tabacalera faced a barrage of profit-taking. Up more than 50 per cent this year, the shares tumbled almost 6 per cent.

Disney magic lends support to US shares

AMERICAS

Wall Street gave way to a mild sell-off in morning trade, with technology stocks and most blue chips turning lower, *writes John Labate in New York.*

In spite of the generally bearish mood, three stocks just managed to keep the Dow Jones Industrial Average in positive territory. By early afternoon the Dow was less than a point higher at 9,177.21, while the Standard & Poor's 500 had lost 6.27 to 1,124.27. The Nasdaq composite, weighted in technology shares, had a more dramatic fall, down 21.06 or more than 1 per cent to 1,896.55.

Walt Disney did its best to prop up the Dow, rising more than 8 per cent or $9⅜ to $125¾ after the company beat earnings expectations late on Wednesday. Procter & Gamble, the consumer products producer, was the blue-chip sector's second high flyer, up $3¾ to $87¾ after it released solid quarterly results.

Financial stocks weakened. American Express tumbled 3\frac{1}{16}$ to 102\frac{13}{16}$ while J.P. Morgan lost $3¾ to $139. Bankers Trust fell $3½ to 132\frac{13}{16}$ in spite of a better-than-expected earnings release. Other stocks fell in spite of solid earnings, including Maytag, which lost $1½ to $52½. Among computer stocks, Gateway 2000, the PC direct marketer, slid $2½ to 53\frac{1}{16}$ after reporting a solid earnings rise and a 38 per cent improvement in first-quarter shipments.

In the telecoms sector, Bell Atlantic fell 2\frac{1}{16}$ to 95\frac{5}{16}$ after meeting analysts' expectations for its earnings. But WorldCom gained $$\frac{5}{16}$ to 43\frac{13}{16}$ after reporting its first-quarter results.

Internet shares were weak after an announcement by Netscape late on Wednesday that it planned changes in its strategy. Some investors thought that other internet companies might be hit by Netscape's moves, and investors turned sellers. Lycos fell $5 or 8 per cent to $56¾ while Infoseek lost 2\frac{13}{16}$ to 29\frac{13}{16}$, down 8.8 per cent. But Netscape's shares were bid higher, rising $¾ to $25½.

The Russell 2000 of small-cap shares lost 2.78 to 488.36.

TORONTO climbed to a record high at the opening as the gold and transport sectors offset losses in banking stocks and a lower bond market.

By midsession, the TSE-300 composite index was up 7.85 at 7,830.10 in hefty volume of 41.6m shares.

Air Canada picked up 70 cents to C$13.90 in heavy trade in spite of posting a first-quarter loss of 18 cents.

Banacci boosts Mexico

MEXICO CITY firmed as investors were encouraged by strong first-quarter earnings from Grupo Financiero Banamex Accival (Banacci).

The IPC index rose 29.3 to 5,194 in spite of a larger-than-expected trade deficit figure released on Wednesday.

Banacci's first-quarter net profit more than doubled that of last year, at 1.1bn pesos. The bank said it had completed its capitalisation programme. Its B shares rose 1.05 pesos to 25.50 pesos, while the A shares rose 1.70 pesos to 21.70.

SAO PAULO edged higher in spite of fears that the government's reform drive may be pared down due to the deaths of two politicians. The Bovespa index rose 40 to 11,743 on cautious buying.

Jo'burg lower as golds surge

SOUTH AFRICA

Johannesburg was broadly lower although golds continued to race ahead thanks to a firmer bullion price.

The overall index lost 23.8 to 8,286.3 and industrials were marked down 52.2 to 9,834.6. Golds, however, jumped 60 – a 6 per cent surge for a second straight day – to 1,069. Financials were the biggest losers as the sector bellwethers were hit. Stanbic lost R15 to R314, Absa 60 cents to R45.80 and First National 80 cents to R5,650.

Analysts said the market consolidation had come as a relief and the weaker rand and softer bonds had done little to improve sentiment.

Milan leads bourses lower

EUROPE

Widespread profit-taking sent **MILAN** tumbling 3.6 per cent after a day which saw some blue chips suspended in early business, as a large programme trade depressed the shares by their daily limits. The real-time Mibtel index fell 911 to 24,252.

Eni closed down L369 to L12,044, while Rolo Banca declined L1,054 to L43,794. Among other heavy losers, Fiat lost L368 to L7,696 and Olivetti L94 to L2,317.

Finmeccanica bucked the trend, rising L5 to L2,670. The shares were supported by the L2,000bn equity financing expected next month, which should eliminate the company's debt.

MADRID fell 3 per cent, depressed by falls in other markets across Europe. A sell-off in the futures market aggravated the declines, with the general index closing down 27.1 to 867.16.

Blue chips lost ground, with Telefónica down Pta50 to Pta6,470 and Tabacalera losing Pta215 or 5.8 per cent to Pta3,480.

Banks were lower. BBV closed down Pta300 to Pta7,670 in spite of a 28 per cent rise in first-quarter earnings, at the higher end of brokers' forecasts.

FRANKFURT lost almost 1 per cent as the market lacked fresh direction. The Xetra Dax index finished 49.71 lower at 5,262.57.

Siemens, which announced it was turning over most of its PC business to Taiwan's Acer, lost DM2.70 to DM111.30.

This added to the pain of Wednesday's 5 per cent fall when the group said that current year profits would not match its own earlier expectations.

SAP prefs recovered from early losses to close DM9.35 higher at DM917.35. Analysts noted that the shares soared earlier this month as investors awaited first-quarter earnings and rose again after SAP said on Tuesday that pre-tax profits were up 72 per cent.

Among motor stocks, Volkswagen settled DM32.60 lower at DM1,377.90. In addition to the weak dollar, the stock was pressured by the continuing bidding battle over Rolls-Royce Motor Cars.

Banks were marked down with Dresdner posting the biggest loss. It closed at DM105, down DM3.75 and off an intra-day high of DM111.

ZURICH finished a volatile day weaker as selling in a number of index heavyweights sent the whole market down. The SMI index lost 43.4 to close at 7,265.5.

ABB suffered a roller-coaster ride, falling 2 per cent early in the session before staging a recovery.

The electrical engineering group's early weakness came in the wake of first-quarter net profit figures at the lower end of expectations.

Subsequently, investors decided that the improved margins were a positive sign in spite of a fall in turnover. The shares finished SFr15 higher at SFr2,331 with Martin Ebner's BZ Bank, which already holds 11.6 per cent of the voting rights, among the buyers.

Among the blue-chip losers, Novartis, volatile in the past few sessions, lost SFr24 to SFr2,406, and Roche certificates dropped SFr255 to SFr14,900. Nestlé continued to slide, losing SFr18 to SFr2,697.

Among financials, Credit Suisse Group continued its rumour-driven advance, adding SFr7.50 to SFr330. The bank has repeatedly refused to comment on speculation that it was planning a merger or acquisition.

The recently volatile Baloise jumped SFr64 to SFr3,579 as the group announced a 42 per cent rise in 1997 group profit and the sale of its US subsidiary.

PARIS was unable to break out of consolidation and the CAC 40 index lost 12.94 to 3,822.13. Volume, however, picked up, boosted by the close of the monthly trading account.

Motor stocks went against the trend, countering weakness in their German counterparts which were hurt by the weak dollar. Peugeot climbed FFr17 to FFr1,020 after Claude Satinet, the head of its Citroën division, said new car sales in France would show a 10 per cent rise for April. Renault was FFr2.90 higher at FFr288.

Alcatel saw heavy trade of FFr963m, closing down FFr21 to FFr1,089. The share has pulled back from its April 2 high of FFr1,223 on profit-taking, highlighted by the placement of a 1.9 per cent stake by US institutional investors on Monday.

Danone gave up FFr15 to FFr1,390 ahead of flat first-quarter results that came after the market closed.

Among increasingly sought smaller stocks, Primagaz surged FFr32 or 6.7 per cent to FFr506 on an upgrade from a local broker.

AMSTERDAM tracked weak German equities, drifting lower throughout the session to close with the AEX index off 15.06 at 1,171.55.

Financials soaked up some of the heaviest selling, with Aegon sliding Fl 4.40 to Fl 278.50 and ABN Amro Fl 1 to Fl 52.20. Fortis Amev eased 60 cents to Fl 126.40, supported by talk it was close to a successful conclusion to its "merger" talks with Generale Bank of Belgium.

Philips, up 21 per cent in the first three days of the week, came off Fl 2.70 to Fl 182.60. Software group Baan rebounded modestly, adding Fl 2.60 to Fl 99.30.

Brewing giant Heineken, a strong market lately ahead of this week's annual meeting, continued to gain ground, adding Fl 10.60 to Fl 511.80.

STOCKHOLM declined on a disappointing earnings report from Ericsson, and the general index fell 23.58 to 3,549.99. Ericsson fell SKr13.50 to SKr407.50. Its weaker-than-expected earnings announcement followed that of Volvo and Scania on Wednesday.

Written and edited by Michael Morgan, Jeffrey Brown, Emiko Terazono, Peter Hall and Paul Gregan

FTSE Actuaries Share Indices — European series

April 23

National & Regional Markets	Ecu Index	Day's %	change points	Yield gross %	xd adj ytd	Total retn (Ecu)
FTSE Eurotop 300	1212.26	-1.21	-14.84	1.83	6.40	1228.41
FTSE Eurotop 100	2767.99	-1.32%	-36.97	–	–	–
FTSE Eurotop 300 Regions						
300 UK	1158.36	-1.14	-13.34	2.61	12.94	1191.18
300 Ex-UK	1243.62	-1.26	-15.70	1.48	2.69	1249.60
300 Eurobloc	1234.53	-1.11	-13.89	1.83	2.29	1241.71
300 Ex-Eurobloc	1199.24	-1.29	-15.55	2.18	9.37	1221.58
FTSE Eurotop 300 Economic Groups						
Resources	1015.59	-1.39	-14.33	2.68	6.88	1037.04
General Industries	1153.06	-0.80	-9.30	1.84	8.83	1163.00
Consumer Goods	1120.39	-0.51	-5.75	1.65	5.79	1138.16
Services	1154.22	-1.07	-12.43	1.90	6.24	1168.71
Utilities	1309.67	-1.70	-22.67	3.34	1.84	1327.52
Financials	1390.51	-1.82	-25.83	1.79	8.10	1407.31

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Seoul tumbles on crisis worries

ASIA PACIFIC

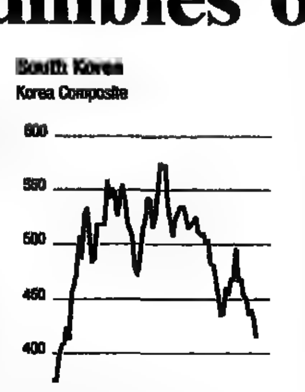
A government think-tank's report on financial sector reforms raised the spectre of another financial crisis, and sent **SEOUL** tumbling 3.5 per cent.

The report by the Korea Development Institute said that any delay in introducing reforms could hasten another crisis. The institute also put the cost of reform at Won67,000bn over five years.

The composite index closed 15.27 lower at 416.54, while the banking sub-index took a 8.2 per cent hit.

Brokers said potential labour disputes also hurt market sentiment. The militant umbrella Korean Confederation of Trade Unions said on Wednesday that it would not take part in three-way talks with government and management.

But shortly before the market closed, Kia Motors' labour union said it would end its partial strike from Friday after the court-appointed administrator promised to try to avoid selling the ailing carmaker. Kia shares, however, fell Won300 to Won4,600.



TOKYO was flat as investors waited for details of the next Y16,000bn fiscal package, *Reuter reports.*

The Nikkei 225 index edged up 0.15 to 15,761.69.

Financial authorities tried to talk up the expected effects of the package on the economy. Eisuke Sakakibara, vice finance minister for international affairs, said Japan's economy was bottoming out and that the stimulus package would start to have a positive effect in the summer.

Bank of Japan governor Masaru Hayami acknowledged the weak state of economic activity, but said he expected the package to help bring a recovery.

Some analysts pointed out that the pessimism over the Japanese economy was overdone. ING Barings in Tokyo said rampant pessimism had prompted markets to discredit the package even before it was announced. Richard Jerram, chief economist, said the measures would push the Nikkei up to 18,000 by the end of June.

The Topix index of all first-section stocks rose 3.00 to 1,218.66. Losers led gainers by 575 to 521 with 151 issues unchanged.

Investors focused on corporate profit announcements. Kao, which said it expected a profits increase for the current year, rose Y136 to Y1,916.

Companies which recently announced share buy-back plans led the gainers. Tokyo Steel Manufacturing, was the largest winner, adding Y68, or 14 per cent, to Y557 while Sumitomo Metal Mining gained Y47, or 9 per cent, to Y551.

BANGKOK fell steeply in weak volumes. The SET index ended off 9.32 or 2.1 per cent at 427.41. Sentiment was partly depressed by talk of some financial companies having problems meeting the central bank's new provisioning regulations.

The banks sector fell 2.7 per cent and the finance sector 2.8 per cent. Bangkok Bank was the most active stock, easing Bt2.50 to Bt77.

SINGAPORE rallied in spite of a dull day for market heavyweight Singapore Telecom. The Straits Times index rose 20.34 or 1.4 per cent to 1,495.86.

Property shares led the upturn with the sector index gaining 2.1 per cent. City Developments added 30 cents at S$7. Telecom touched a session low of S$2.48 before ending 1 cent easier at S$2.50 on competition worries ahead of the announcement of a big local fixed-line licence.

KUALA LUMPUR welcomed Rashid Hussain's announcement of funding details for its Sime Bank takeover, although news that Rashid needed M$2.4bn to recapitalise the group in the merger slightly dampened sentiment.

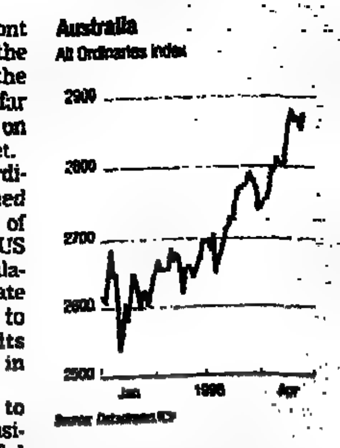
The composite index ended 8.57 or 1.4 per cent higher at 628.24. It traded between 619.23 and 630.71.

MARKET FOCUS

Australia faces stormy water

Australia's bitter waterfront dispute has weighed on the Australian dollar over the past two weeks, but so far has had a limited effect on the country's stock market.

The benchmark All Ordinaries index has reached new highs on the back of continuing gains in the US market and growing speculation about an interest rate cut. Yesterday, it rose 21 to 2,877.8, just shy of its all-time high, on a surge in mining stocks.



The picture is likely to change if the conflict intensifies between the powerful Maritime Union of Australia and Patrick, one of the country's largest stevedores, over the dismissal of 1,400 workers this month.

A federal court ruling yesterday in favour of the union makes further industrial action virtually certain.

Business executives have warned the dispute – now in its third week of crippling dock strikes – could cut into earnings, particularly among exporters and companies reliant on imports.

Manufacturers like Toyota Australia and Rothmans, the cigarette maker, have said the dispute could put jobs at risk as well as cut into earnings.

Meat, wool and cotton producers say they have already been hard hit. Mining and other sectors, however, have been left relatively unscathed thanks to their use of bulk carriers unaffected by the dispute.

In the current bull run, brokers say they are advising clients to focus in the short term on companies dependent on domestic revenue and avoid those based on shipping.

The court's ruling yesterday in favour of the union is a blow for the government and could raise short-term concerns about the outlook for the economy.

The Australian dollar is likely to take a further hit from the ruling. But the market broadly sees the government's support for Patrick as a fight for waterfront reform and greater productivity, said Marcus Tuck, strategist at HSBC Securities in Melbourne.

"The market has these issues in mind when it looks at the dispute, and you don't sell down the market because it's a fight worth fighting," he said.

The continuing robust performance of key sectors such as banking stocks will ensure investors will want to continue participating for the time being, he added.

"It's a global bull market – domestically, we're entertaining the idea of another rate cut, and the banking sector is continuing to gain. The dispute adds uncertainty, for sure, and the market would have been even higher without it, but that will not deter investors for now," he said.

Others are less optimistic, with some brokers predicting an investor exodus from shares in all export and import-reliant sectors.

"We could see the dominoes begin falling if you see more plant closures or lay-offs, and any further slide in the Australian dollar will be a negative for a much wider range of stocks than currently affected," said another analyst.

Gwen Robinson

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RICHARD DONKIN

Outsourcing the hassle

The idea of paying an outsider to recruit employees is taking hold in the UK

Can you afford to contract out something as vital as recruitment? The question some companies in fast-moving and highly competitive sectors may be beginning to ask themselves is can they afford not to.

The idea of managed agency agreements – bringing in an outsider to handle all or parts of the recruitment process – emerged in the US some time ago but is beginning to cross over to the UK. Robert Walters Associates, the quoted recruitment company, launched a specialist arm called Resource Solutions to handle recruitment management towards the end of 1997.

The idea is that Resource Solutions takes over the job of engaging the recruitment agencies, sifting the CVs and drawing up the shortlists. If the client asks for the service, it will also conduct preliminary interviews or carry out psychometric testing and some skills training. It can also provide recruitment specialists to companies to help handle peaks in recruitment demand. The main use for the service so far appears to be in investment banking in the management of temporary contracts and for the recruitment of middle- and back-office people.

"Companies are outsourcing the hassle factor. Because we're in the market all the time, we know the quick entry points into the veins of talent

'Because we're in the market all the time, we know the entry points to the veins of talent'

which are not always in the UK," says Ben Anderson, executive director of Robert Walters.

There does not seem to be anything too special about the fact that the company knows where to find Antipodean professionals keen to fund their travelling by working in the UK. City recruiters have been tapping the market for Australian and New Zealand accountants for years.

But one novel feature of Resource Solutions is its independence from the recruitment side of Robert Walters, which must compete with other agencies to meet client requirements. "It's not being used as a Trojan Horse for Robert Walters to shoe horn in unsuitable candidates," says Andrew McNeilis, director of Resource Solutions.

"We are representing the client and we are bringing our expertise into the process. Every candidate, for example, must be treated with respect because they might be customers of the recruiter or they might have a parent doing a deal with the bank. This has happened."

Mr Anderson says: "We don't even think of ourselves as a recruitment company anymore. Ultimately we want to offer a full service for training and development."

Another feature of the service is that the company can often fix up employees with another contract in-house or point out to a line manager that an individual's existing contract is coming up for renewal. But why should personnel departments farm out so much of their work?

Part of the problem is that pared down personnel departments are expecting line managers to handle recruitment to a greater degree and many of these managers are struggling to cope.

Such arrangements may suit some more than others but in areas where there are peaks and troughs in staff demand and where the business is constantly changing, outsourcing agreements would appear to have a strong future.

Further signs that the UK economy is slowing down emerged this week with the release of the first-quarter index of advertised demand for senior executives published by MSL Search and Selection, the recruitment consultancy.

Demand for senior executives was 8 per cent up on the same period last year. But the slowdown in demand is apparent when compared with the 24 per cent increase in the first quarter of 1997 on that of the first three months of 1996. Another sign of a slowdown is the fall in advertisements for sales and marketing executives. These rose by just 3 per cent on the number that appeared in the first quarter of 1997.

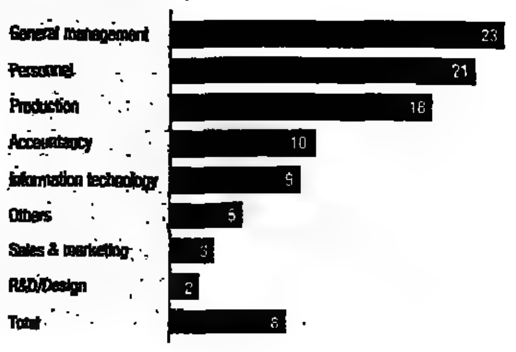
Bernard Doyle, managing director of MSL, points out that demand for sales and marketing jobs tend to peak in the first quarter of the year. "This suggests the outlook is less promising than in recent years," he says.

All the separate job categories registered increased demand. Demand fell back in just one industry sector – high technology – while retailing reported the highest rise in demand of any sector. The curve of the index's seasonally adjusted moving annual total – it has tracked demand for executives since 1995 – is approaching record levels but, although it is difficult to judge, it may be starting to peak.

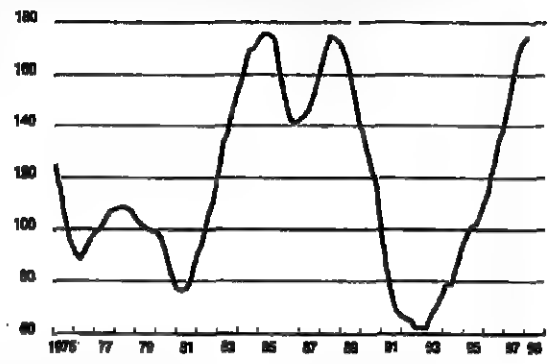
richard.donkin@FT.com

MSL recruitment index

By job category
% change Q1 '98 on Q1 '97



MSL recruitment index (1980 = 100)
Moving annual total of quarterly advertised demand for executives



WORKING BRIEFS

Heidrick close to overtaking Korn Ferry in US, says ERN survey

Korn Ferry International has stayed at the top of the international headhunter revenues league table published by Executive Recruiter News. Revenues for the tax year ending April 30 were expected to be \$301.1m (£180.2m). Russell Reynolds Associates had the highest revenues per headhunter, of \$631,184, with Egon Zehnder coming second and Spencer Stuart third, both topping \$500,000 per partner.

In the US, where the largest firms recorded average growth of 24 per cent in 1997, ERN says Heidrick & Struggles are close to overtaking Korn Ferry. Heidrick & Struggles is following a trend in the US with plans for an initial public offering of 20 per cent of its shares. Some firms have used IPOs to realise value for shareholding partners but Heidrick says it is seeking new capital to expand.

Tests at the top

Should senior executives face psychometric tests when they already have a proven track record? Signs that more companies expect their most senior recruits to undergo some form of testing emerged in a survey by Capita RAS, the recruitment consultancy that specialises in such forms of testing. It found that some 60 per cent of 300 managers surveyed in posts with salaries in excess of £40,000 had been asked to undergo a selection exercise. The company said this included tests to measure literacy and numeracy and one-to-one interviews with psychologists. The biggest use of such methods was in the private sector.

Which IT skill?

Recruiters have been forecasting that information technology skills are going to be in increasing demand well into the next century, with the US alone expecting to need 1m more IT workers in the next decade. But if you are going to learn IT skills, are some more valuable than others? According to figures supplied to the US IT sector, employees in the US with skills in SAP, Lotus Notes and Baan can command salaries between 13 per cent and 19 per cent higher than those normally paid for IT skills.

A recent survey in Computer Weekly, quoted in the latest Management Pay Review by Incomes Data Services, found that Unix was the skill in greatest demand in the UK.
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Unibank A/S
Human Resources
Vesterbrogade 8
DK-1786 Copenhagen V
Att: Ms Eli G Kiel

not later than 24 April 1998.

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FINANCIAL TIMES
No FT, no comment.

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THE ROLE

The Financial Times Group Business Development Unit reports directly to the Group Chief Executive. The Business Analysts' primary role is to help the board develop the group's strategy and to carry out appraisal of major investment. Business Analysts also lead business development projects that cut across the operations of all departments and companies.

Our aim is to train recent graduates to feed the next generation of profit centre managers within the group. Business Analysts' managerial skills are developed by working with the group's senior management team on a day-to-day basis and via project management experience - a successful applicant can expect to be promoted rapidly into a line management role.

YOUR EXPERIENCE

We are looking for:

- A minimum of 2 years' graduate training at an investment bank, strategy consultancy or consulting arm of an accountancy firm
- Well-developed analytical and business problem solving expertise
- Effective oral and written communications
- Strong interpersonal ability to provide the basis for a fast-track career in management.

For further information, or to submit a *curriculum vitae*, please contact: Richard Leishman, Deputy Group Finance Director, Financial Times Group, One Southwark Bridge, London SE1 9HL

Appointments Advertising

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Financial Times

BUSINESS CONTROLLER - CAPITAL MARKETS

LEADING EUROPEAN INVESTMENT BANK

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This leading international investment bank operates in 60 countries and employs more than 9,000 people. With its London based headquarters, the capital markets and securities trading group provides a comprehensive range of products and services in the areas of debt, equity and related currency and interest rate risk management.

Working closely with the Business Managers of the Capital Markets Group, this high profile project team provide consultancy services to the Front, Middle and Back Offices. The main focus of the team is to proactively enhance the control environment in order to minimise operational risk and to prepare the business for the next millennium. In depth analysis of current processes, subsequent consultancy on change management issues and strategic planning advice for future business growth are critical to the team's success.

Responsibilities will include:

- analysis, investigation and audit of current control procedures and identification of weaknesses
- creating and implementing innovative enhancements to operating policies
- representation on several steering committees including: year 2000, EMU, and new product development
- validation of the processes relating to the evaluation of positions, results and risk value

The successful candidate is likely to have a background in control or audit for financial product trading and possess the following:

- a strong academic background
- a recognised accountancy qualification with a minimum of two years post qualification experience, preferably gained in an investment bank
- a good understanding of capital markets products
- the requisite interpersonal and communication skills to deal with all levels of management
- a creative and dynamic approach to business

Interested applicants should contact Zoe Walkington at Robert Walters Associates on 0171 915 8857 to discuss the role, alternatively write enclosing a detailed Curriculum Vitae stating current remuneration package to Robert Walters Associates, 10 Bedford Street, London, WC2E 9HE, Fax: 0171 915 8714.

Email: zoe.walkington@robertwalters.com Web: http://www.robertwalters.com

You may also apply via http://tmpa.com/Robert_Walters quoting reference RW71

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As an Analyst your brief will be to support the team by developing, applying and managing financial models to value and structure large real estate portfolio and corporate acquisitions. The role involves liasing with senior contacts both internally and externally and to succeed in the role you will need to be of graduate calibre and bilingual in English and another European language. You will have experience of financial modelling, structuring and analysis. Highly mobile, you will possess good presentation skills and be technically proficient, creative and motivated.

As an Associate you will be ready to take on a leading role in helping the European Acquisition Team grow our business throughout Europe.

The position will concentrate on identifying potential acquisitions with a particular emphasis on either Germany or Italy. You will assess the financial viability of proposed investments, spearhead due diligence efforts on acquisitions, evaluate markets and prepare investment and financing proposals. In constant contact with clients and external professionals you will be involved in presentations. This high profile role demands a strong financial background and ideally a Finance or Accounting qualification augmented by an MBA. You will have an analytical mind, excellent modelling skills, a knowledge of corporate finance and be bilingual in English and German or Italian. Experience in the Real Estate sector is an advantage. We seek self starters who are able to work as part of a team to achieve common goals.

Both positions have excellent prospects for progression. Please write with full CV, including current salary details to Rebecca Leach at Macmillan Davies Hodes, Response Management, Salisbury House, Bluecoats, Hertford SG14 1PU. Please quote reference SK1143 if applying for the Analyst position or SK1144 for the Associate position.

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4CAST the unique multi-media analytical service offered on subscription to financial institutions throughout Europe and North America continues to grow rapidly since launching in 1995. It now has two important openings, in London and New York.

In London, we are looking for a macro-economist/market strategist to specialise in the analysis of the German economy and capital markets in an EMU wide context. Candidates would be expected to hold a graduate qualification with a strong bias in Macro-economics and be fluent in both German and English.

In New York, we are looking for a US fixed income strategist. The successful candidate is expected to have a degree in finance or economics (a relevant post-graduate qualification would be an additional asset), and a proven track record either analysing, trading or reporting on the US fixed income market in a fast paced environment.

For the London position, fax: Steve Webster +44-(0)-171-963 6001/E-Mail s.webster@4cast-analysis.com.

For the NY position, fax: Alan Ruskin +1-212-221-9643/E-mail a.ruskin@4cast-analysis.com.

Senior Program Manager, Financial Sector Development

Chemonics International, a leader in international development consulting, seeks a senior program manager for financial sector work in developing countries. Responsibilities include: management of a global portfolio of contracts, provision of technical expertise to current banking and capital markets projects, leadership of project technical teams, and support for new business initiatives. Position requires an advanced degree and at least 8 years of experience, including at least 2 years of overseas work, in one of the following technical areas: finance, bank restructuring, capital markets, prudential supervision and related fields. Candidates familiar with USAID and multilateral operations a plus. Excellent management and interpersonal skills are important as is language capability in at least one language in addition to English. Competitive salary. EOE. Please send letters of interest, curriculums, and salary requirements to: *CXA/LAC-ASIA, Chemonics International, 1133 20th St. N.W., Washington, DC 20036*

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Global orientation, growing demands, international investment banking — these aspects characterize working in our Central Credit Staff team. To expand our team, we are seeking candidates to provide competent support for various demanding tasks in the international environment:

Senior Analysts

Secondary Markets / Credit Derivatives / Work-Out

Qualified candidates will rapidly assume responsibility for positioning our bank in the national and international secondary market for loans. They will develop convincing strategies (also concerning the use of derivative credit instruments), ensure the development of business transactions for our foreign branches through contacts with brokerage houses and international banks. Senior Analysts will negotiate transactions and coordinate their subsequent processing. They will deal with work-out situations, ensuring that all necessary measures are taken to manage exposures while minimizing losses.

Successful candidates will have an excellent degree in law, business administration or economics. Suitable individuals will be strong in strategy and implementation; they will thrive on international challenges and be capable of effectively negotiating in English.

Analysts

Sovereign Debt Rescheduling / Problem Exposures

Analysts will focus on taking preventative measures, restructuring individual loans as well as on handling sovereign debt reschedulings. For the latter, they will already be involved at the negotiation stage. Problem management, especially in the public sector, is also part of the Analysts' duties.

Qualified candidates will have a strong background in banking (loans, securities, investment banking) and be fully proficient in financial mathematics. Excellent English is a prerequisite; an additional foreign language would be ideal. Suitable individuals will have a proven ability to persuade and will handle negotiations with confidence.

Attractive Prospects in an International Environment

are available to qualified individuals. Interested candidates should submit their application complete with CV, a recent photograph, photocopies of diplomas and reports/transcripts to Commerzbank AG, Personalzentrum Zentrale, Attn. Mr. Peter Geyer, Kaiserplatz, 60261 Frankfurt am Main, Germany.

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OUR CLIENT

- Entrepreneurial British investment and commercial bank with a reputation for technical expertise in key markets.
- Creative approach to product and market development with a strong credit culture.
- Recent top level organisational review supports building new business with ambitious return targets.

THE POSITION

- Consolidate and build a structured finance business. Sectors currently covered include aviation, PFI, trade finance, healthcare and housing associations.
- Lead and develop a committed team to create a recognised "centre of excellence".
- Create and implement appropriate marketing strategies.

QUALIFICATIONS

- High calibre banking professional with extensive proven experience across a broad range of structured finance techniques.
- Ability to build a profitable banking business and create something new from a sound existing base.
- Entrepreneurial, strategic thinker with innovative ideas in deal structuring. A good working knowledge of loan syndication and securitisation would be a distinct plus.
- Commercially astute, focused business leader with the vision, enthusiasm and interpersonal skills to build a strong team.
- Impressive track record of closing deals and strong market contracts.

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Please send a full cv and current salary details, quoting reference 980315, to Ann Semple, SHP Associates, Aldermary House, 10-15 Queen Street, London EC4N 1TX. Tel: 0171 815 8888. Fax: 0171 815 8800. E-mail: shpa@shpa.co.uk

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- shape and implement the company strategy;
- evaluate and analyse joint ventures, alliances and acquisitions;
- structure and drive these transactions, including negotiating at a principal-to-principal level and co-ordinating professional advisors.

Probably with an MBA, you must have at least 3 years' experience in all aspects of M&A execution, gained in investment banking or a major strategy consultancy/accountancy firm. Key personal attributes will include first class technical expertise, strong analytical and communication skills, commercial flair and self-motivation.

This position offers outstanding career opportunities in one of the world's most dynamic and innovative companies. The comprehensive remuneration package will reflect the importance of the position.

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Our client, a well respected private banking house, is now seeking an experienced and proactive individual as its Compliance Officer.

Reporting to the Chief Operating Officer, the successful candidate will be responsible for implementing the compliance monitoring programme, maintaining strong relationships with the regulatory authorities, developing and maintaining a good understanding of all existing and new investment products and providing expert advice and guidance to senior management. This is a key appointment requiring a positive 'hands-on' approach to the business.

Candidates will be of graduate calibre and must have a proven track record in compliance with a detailed knowledge of IMRO regulations and, ideally, some familiarity with SFA regulations. Strong communication and relationship building skills, a confident and assertive manner and the ability to think laterally are imperative.

This is an excellent opportunity for an experienced compliance professional, keen to take responsibility for the compliance function of this expanding company.

Interested applicants should contact Samantha Harrison, for an initial discussion at Michael Page City, 50 Cannon Street, London EC4N 6JJ. Telephone 0171 269 1882, fax 0171 329 2986 or e-mail: samanthaharrison@michaelpage.com Please quote reference 413133.

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INTERNATIONAL BANKING

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FUND ADMINISTRATOR
Middle East c.£50k + tax free benefits

This prime regional bank seeks a qualified professional to take responsibility for all aspects of fund administration including monitoring performance of investments, preparation of reports, valuations and management of settlements and custody. Relevant experience will include equity, money and capital markets. *Ref: BJ/PJW*

LOAN SYNDICATIONS
London c.£60k + bonus

This London based international Investment Bank is expanding its loan syndications group with an emphasis on emerging markets. An additional senior manager is sought to strengthen its global distribution capability. A minimum 2 years specific distribution or secondary sales experience and extensive contacts around the world are essential. *Ref: ITD*

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A leading regional bank seeks an experienced banker with specialist remedial skills. Primary responsibility will be monitoring the impaired credits within the bank's portfolio plus supervision of workout negotiations. In-depth experience of credit recovery/asset disposal gained within an international banking environment at a senior level is also essential. *Ref: PJW/BJ*

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London c.£50-75k + bonus

This London based Private Banking arm of a major international Bank with a global branch network is seeking three or four highly experienced senior officers to develop new business through their existing client base in the Middle East, Sub-Continent and Africa. You will not be expected to bring a client base with you. *Ref: ITD*

For further information on these or other international opportunities please contact:

Devonshire *executive*
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Devonshire Executive, 13 Austin Friars, London EC2N 2JX.
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- 2-3 years credit analysis experience of Financial institutions and/or Corporates.
- Experience of fixed income or funds.
- Experience of emerging markets i.e. Eastern Europe.

Our clients can offer a very competitive remuneration package and excellent career progression opportunities in an expanding market.

Please contact: Lee Humphrey

German M&A Associates
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This exciting opportunity exists due to rising levels of business activity in Europe. Our client, a top city investment bank is looking for German natives or fluent German speakers with excellent financial analysis skills. This is a real opportunity to add value to a house that will be a leader of [illegible].

The ideal candidate will possess the following:

- Thorough knowledge of the German financial market.
- At least 2 years corporate finance experience.
- An outstanding academic record.
- Ambition and the drive to succeed.

Now is the time to consider future trends and confirm your place in a market where business is assured, and challenges are there to be met.

UK Corporate Finance Associates
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Would you like to join one of the most prestigious houses at the fore of deal activity in the City? Our client has an excellent record of aggressive origination and transaction in both European and Domestic markets. They are looking to bolster further their standing in home markets with UK Associates of calibre.

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- M&A experience of Domestic Markets (at least 2 years).
- A professional qualification (ACA, LLB, MBA).
- Genuine flair and dynamism.

If you can match the challenges of increased responsibility, high-level exposure to clients, and participation in the complete life-cycle of deals then rise to the helm of this truly stimulating opportunity.

Please contact: Kathryn Thornton

16 - 18 New Bridge Street, London EC4V 6AU
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- Candidates will probably be mid/late 20's with impeccable academic credentials, ideally with accountancy qualification or MBA from a leading business school. Highly numerate, they should be IT literate with well honed skills in financial modelling.
- Strong financial analysis experience required, preferably gained in corporate finance, acquisition finance, blue chip strategic management consultancy or relevant corporate experience.
- Ambitious and results-oriented, the successful candidate will be an energetic team player with first class communication skills. Detail minded, but deal driven, highly professional and reliable, he/she must have headroom for further development.

Please apply in writing quoting reference 1618
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THE ROLE

- Identify and evaluate potential investments from a market and a technology point of view, using in-depth sector expertise and a sound understanding of developments in new technology.
- Prepare and gain approval for a business case for investment, using expertise from elsewhere in the bank as needed. Participate in the management of the investee company as a member of the board.
- Work closely with the investee management team, and with colleagues in corporate finance, research and sales and trading, to plan and execute an exit strategy to maximise return on investment.

THE QUALIFICATIONS

- High calibre graduate, preferably MBA, with extensive experience of the sector gained either as an analyst, banker or consultant or else in a leadership position in the industry focused on strategy or marketing.
- Deep understanding of the technological and commercial issues relating to at least one sector of the industry. Proven analytical skills and strong commercial focus. Flair for marketing and business development.
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Applications, in strict confidence, reference SGE/7216/FT should be sent or faxed to the above address, will be forwarded to our client in the first instance. If there are companies to whom you do not wish your application to be sent, these should be listed in a covering letter addressed to the Security Manager, CJRA.

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In addition to proven management abilities, you will need a high level of tact and diplomacy in order to win the support of line managers with whom you will work in close liaison on a programme of organisational change. You must also have the potential to progress to other management positions in the longer term.

The bank offers an attractive salary and full benefits package, including bonus and company car schemes.

Please contact Nesh Jain in complete confidence.

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KENT

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THE QUALIFICATIONS

- Aged 30-40, qualified Chartered Secretary with public company and international experience.
- Technical excellence and self confidence. First class interpersonal and communication skills. Self starter.
- Strong French language capability, both oral and written.

Candidates should send details of career to date and current remuneration, quoting reference 4C1 to:
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Reporting to the Executive Vice President and Chief Financial Officer, you will be responsible for directing and coordinating the various activities of the financial control function of the Group's 20+ businesses in trading, manufacturing, contracting and services areas. You will be responsible for the development and implementation of relevant policies and procedures to ensure effective internal controls and proper financial accounting that would meet statutory and internal requirements. You will also provide effective management information to Corporate Management, ensure improvement in working capital management and cost efficiency, and participate in business strategies. A proven successful track record in these areas is a must. In addition to being an effective communicator, you will have the ability to work in a multi-product, multi-business environment, adapt to a multi-national Middle East environment and handle multiple assignments.

You must be capable of promotion to the Chief Financial Officer position. Therefore, experience in treasury management, investment analysis and balance sheet management is required.

You will be a C.P.A. or C.A. or Cost and Management Accountant, preferably complimented with MBA (Finance), highly conversant in computer systems, applications and utilization, 40 to 45 years old with at least 15 years post qualification relevant experience in financial management.

If you match the requirements for this challenging position, please fax your detailed CV, in strict confidence to:

Director of Human Resources.
Fax No. (965) 4832374
E-mail suhail@alghanim.com

Alghanim INDUSTRIES

IoD

CHIEF ECONOMIST

The Institute of Directors has a vacancy in its Policy Unit for a Chief Economist with a special interest in macroeconomic issues, who will be *responsible for formulating the IoD's policy on a* broad range of economic issues and will report to the IoD's Head of the Policy Unit. Applicants should be economics graduates with a minimum of five years experience as an economist.

The successful candidate will be active in initiating research, preparing policy documents and representing the IoD's policy. He or she will develop ideas, express them clearly and assist in promoting them to the media, Government and other opinion formers.

Salary negotiable. Excellent pension and other benefits including private health insurance.

Please write, enclosing a full CV and an indication of required salary to: Fiona Mansfield, Personnel Manager, Institute of Directors, 116 Pall Mall, London SW1Y 5ED. Closing date 15th May 1998.

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Heavyweight finance professional (CA + FIIA) with many years-varied world leaders experience (banking, service & airline industries), Brit & Swiss (47)), working German & French. Is used to travelling extensively. Works in Zurich but could relocate. Desires a permanent or contract role.

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Alghanim Industries, a leading and dynamic Kuwaiti trading conglomerate, with significant global interests, is seeking to engage a talented professional to lead a wholly-owned subsidiary which has a substantial Consumer and Trade Finance Portfolio.

GENERAL MANAGER – CREDIT AND INSURANCE

Reporting to the Executive Vice President and Chief Financial Officer, your role will involve defining critical success factors, which will enable you to identify, develop and establish profitable ventures. As well as the day to day management of the company, you will also play a major role in assessing the potential of the Kuwait market by comprehensive analysis of economic trends. You will, in addition personally control the consumer and trade credit functions, reviewing the effectiveness of the company's credit policy and ensuring adherence to sound risk management practices.

A graduate with relevant academic qualification, you will ideally have gained extensive broad-ranging experience in a financial services environment, covering Leasing, consumer Finance and insurance operations. Strong communication and people management skills are important, as is the ability to work under pressure and to tight deadlines.

The position requires a mature individual who is motivated, imaginative and persuasive, with an entrepreneurial approach in order to take advantage of the potential for considerable business growth.

You will enjoy an attractive tax free salary and a package which includes excellent performance related bonus, generous housing, life and medical insurance, paid holidays and air fares and transportation allowance.

If you match the requirements for this challenging position, please fax or e-mail your detailed C.V. in confidence to :

Director Human Resources
Fax No. (00965) 4832374
e-mail suhail@alghanim.com

Fixed Income Environment

PROPRIETARY TRADING

Competitive package · London based

A major global investment bank is seeking to add to its Proprietary Trading team. The Company places high emphasis on innovation and teamwork in addition to an obvious drive for bottom-line success. These vacancies reflect strategic growth of its Capital Markets activities.

The role will operate in a fixed income environment utilising relative value techniques as well as outright position taking.

With a track record in a Proprietary role applicants should also have proven experience in profitability matched with excellent Risk Management skills. In addition to extensive knowledge of the Bond product they should also possess in-depth knowledge of Swaps, FRAs, Futures and Basis products. Ideally they will also have an understanding of both spot and forward FX. The role will cover G7 products although applications will also be particularly welcomed from those with experience of Australian, New Zealand or Canadian markets.

To apply, please write with full CV, quoting ref: 2162 to: The Response Management Team, Associates in Advertising (AIA), 5 St John's Lane, London EC1M 4BH.

Applications will only be forwarded to this client. However please indicate any organisation to whom your details should not be sent.

aia
HR MARKETING & COMMUNICATIONS

EXECUTIVE OFFICER

The Commercial Bank of Korea, Ltd., one of the leading commercial banks in Korea is seeking a highly experienced banking executive for its Head Office, Seoul. The successful candidate will have extensive banking skills particularly in strategic planning, global risk management or international banking.

Qualifications

- More than 20 years of banking experience
- Senior Executive experience preferred

Application

Applicants should submit resume, self-introduction letter and salary expectations to our London branch, 27th Floor, Center Point, 103 New Oxford Street, London WC1A 1DD, United Kingdom (Tel: 44-171-379-7835 Fax: 44-171-379-4849) by no later than May 8, 1998.

The Commercial Bank of Korea Ltd.

We are a young, successful international trading company based in Switzerland and have openings for

PETROLEUM PRODUCT TRADERS

with a minimum of three years prior experience in one of the following fields

- **Light distillates trading**
- **Clean feedstock trading**
- **Gasoline trading/blending**
- **Area management for Africa and or South America**

The ideal candidate should have at least three years experience in trading physical barrels, preferably with refinery background. You will be highly motivated and prepared to work as part of the entire trading team.

We offer an attractive starting salary with appropriate fringe benefits, a pleasant working environment and a challenging opportunity to grow within our international organisation.

Please send your application together with a detailed curriculum vitae enclosing a recent passport photograph to the following address:

Mr Mark Aspinall
Shaw & Croft, Solicitors
115 Houndsditch, London EC3A 7BU
Tel: 00 44 171 283 6293 Fax: 00 44 171 626 3639

We are an International Construction Management and Contractual Claims Specialist Company. We are seeking good quality motivated personnel for current projects in Malaysia and Singapore.

1. Contracts/Administrators
   Minimum 10 years experience
2. Claims Specialists
   Minimum 10 years experience
3. Construction Lawyers
   Minimum 5 years experience
4. Chartered Q.S.
   Minimum 3-10 years experience

Excellent package for suitable personnel.

Please forward CV and salary requirement marked for the attention of the personnel manager - Kuala Lampur at Fax: 0060-3-637-2254, E-Mail address: omrani@ibm.net.

M

Moody's Investors Service

Moody's Investors Service is a leading financial services firm recognized for our commitment to excellence and integrity.

ANALYST

Responsibilities include performing in-depth quantitative and qualitative analysis; *evaluating, building and maintaining quantitative credit risk models for industrial and* financial firms; reviewing related economic, regulatory and political issues and writing related research papers. Qualifications include 3+ years capital market or regulatory experience. Master's degree is required, Ph.D. in Economics, Finance or Statistics is preferred. A background in debt analysis and thorough understanding of financial statement analysis and strong econometric/statistical skills are necessary. Position requires strong communication, writing and technical skills.

Moody's offers an excellent compensation package commensurate with experience, comprehensive benefits and a professional environment where creativity is recognized and rewarded. Additionally, we offer the opportunity to become an integral part of a team of professionals that is respected throughout the financial services industry. We have offices in *New York, San Francisco, Dallas, London, Paris, Frankfurt, Madrid, Cyprus, Hong Kong, Tokyo, Toronto, Singapore, and Sydney. Send your resume to:* **Moody's Investors Service, 99 Church Street, 2nd Floor, Attn: LB - LC, New York, NY 10007, Fax: (212) 553-4063. To learn more about career opportunities at Moody's visit our website @ http://www.moodys.com. An Equal Opportunity Employer M/F/D/V.**

Moody's Investors Service
A company of The Dun & Bradstreet Corporation
D&B

Viatel is a rapidly growing international telecommunications company providing high quality, competitively priced, international and domestic long distance telecommunications services, primarily to small and medium-sized business, carriers and resellers. In order to respond to our rapid growth, we need to fill the following position:

As such, your missions will be, inter alia, to :
- Coordinate and administer the Company's European regulatory efforts in various European countries.
- Participate and coordinate the interdisciplinary interconnection efforts with European incumbent telephone operators.
- Prepare necessary license applications in expanding the company's activities and process such applications until completion.
- Interface with senior management in the creation of regulatory policy and of new products.
- Manage ongoing lobbying activities.
- Manage regulatory staff members resident in the different countries.

Director

European Regulatory Affairs

The ideal applicant will have an advanced degree in law, economics or other pertinent field with at least 5 years relevant experience. Fluency in another major European language would be extremely advantageous, as the appointee will be requested to travel within Europe.
In return, an excellent salary and benefits package is offered.

If you are interested in this exciting opportunity, please send your CV and salary expectations to : The European Human Resources Manager, VIATEL, Knightsbridge House, 197 Knightsbridge, London SW7 1RB.

Viatel
GLOBAL COMMUNICATIONS

MEDIA SYSTEM

WALKER HAMILL

HEAD OF RE

Coopers & Lybrand Executive Resourci

Group

MIDLANDS

GROUP FINAN

هكذا من الأصل

هكذا من الأصل

HSBC Investment Banking

Member HSBC Group

Corporate Finance - Nordic Region

Corporate Financiers, Strategy Consultants and MBA's

London **£Excellent**

HSBC Investment Banking brings together the advice and financing, equity securities, asset management and private banking activities of the HSBC Group. With over 5,500 offices in 79 countries and territories, the HSBC Group is among the world's largest banking and financial services organisations.

Our Corporate Finance and Advisory business offers a full range of financial advisory services to both public and private sector companies. We harness the expertise of equity research and sales teams and draw upon the track record and exceptional range of products and services provided by the HSBC Group globally.

The Nordic Corporate Finance team spearheads HSBC Investment Banking's development of both mergers and acquisitions and equity related corporate finance work across Scandinavia and Finland. With a significant presence in Stockholm, HSBC Investment Banking is perfectly positioned to combine local knowledge with the expertise of our London based Corporate Finance business.

Sustained growth across all areas of our Nordic corporate finance and advisory business has created a need for a number of talented individuals who wish to build an investment banking career within the HSBC Group.

At Associate Director level we are interested in hearing from experienced corporate financiers with at least five year's transaction experience.

At Associate/Manager levels, applications are invited from candidates who are commercially orientated corporate financiers, strategy consultants or MBA's with one to five years relevant experience, employed by leading firms in their respective fields.

At all levels applicants must be fluent in one Scandinavian language and exhibit proven experience of transacting business across the Nordic region. All candidates must be entrepreneurial and able to demonstrate a high level of academic achievement, well developed interpersonal skills and a highly professional approach. Successful individuals must be self motivated team players with all round ability.

All applicants should forward a CV, in the strictest confidence, to Guy Townsend at Walker Hamill Executive Selection, quoting reference GT 3744. Any direct responses will be forwarded to Walker Hamill.

WALKER HAMILL
Jermyn Street
London SW1Y

Venture Capital – Paris

Investment Manager **c. 450,000-650,000 FF + Bonus + Benefits**

As a major independent provider of private equity and mezzanine finance our client is a recognised market leader with an excellent track record. With funds under management in excess of £500m it is ideally positioned to continue its highly successful investment activity.

Our client has offices in London, Paris, Frankfurt and the US. The development and growth of the business in France has generated a requirement, in the Paris office, for an exceptional individual to join a highly experienced team of investment professionals.

The successful individual will join a team dedicated to the generation and proactive development of focused deal activity. This will encompass research into selected market areas throughout France. Having identified and evaluated potential investments there will be extensive involvement in carrying transactions through to their successful conclusion, including managing investments through to eventual exit.

Candidates, ideally aged 26-32 will be highly motivated ACA's/MBA's/structured finance lenders/mezzanine financiers/venture capitalists/strategy consultants or corporate financiers employed by leading firms in their respective fields. This is an ideal opportunity to apply proven commercial entrepreneurial and interpersonal skills within a self-starting, highly successful environment. Applicants must possess excellent academic credentials and significant career potential. The ability to speak French and English is a pre requisite, a third European language would be a distinct advantage.

The competitive remuneration package will include base salary, bonus and the potential to move into a carried interest programme.

Interested applicants should write, in the strictest confidence, to Robert Walker or Brian Hamill at Walker Hamill Executive Selection, forwarding a brief résumé quoting reference RW 4369.

WALKER HAMILL

HEAD OF RESEARCH

MOSCOW

Our client is a leading investment bank headquartered in Moscow, which enjoys an outstanding reputation for both quality and results, and for its significant impact on the newly formed capital markets in Russia.

The Head of Research will lead and manage all general economic, industry, company, and securities analysis and will oversee the development of high-quality research reports for the Russian and international institutional market. He/She will supervise and build the research team, currently comprising 11 analysts. The Head of Research will help define global strategic investment policy and will work closely with Sales and Investment Banking.

The candidate should have an MBA or equivalent and must have had excellent financial analytical training at a well regarded international financial institution. He/She must be a seasoned Emerging Markets investment analyst, ideally with good understanding of Russian companies and Russian as well as international accounting standards. Experience in equity research, in directly advising investment institutions, and in people supervision are required. Knowledge of Russian would be an advantage but is not necessary.

The compensation package will include a base salary in the middle six figures (US $) and attractive bonuses based on performance. Expatriate benefits will be offered if appropriate. An equity opportunity can be negotiated.

Please send CV's in confidence to our executive search consultants:

Ward Howell International (Russia & NIS)
99 Park Avenue, New York, NY 10016
Tel: 1-212-953-5833 Fax: 1-212-986-9517
E-mail: [illegible]@whru.com

Ward Howell International (Russia & NIS)
15, Bolshoy Tryokhgorny per.,
123022 Moscow, Russia
Tel: 7-095-956 6845 Fax: 7-095-252-1982
E-mail: info@whru.com

Voltaire Asset Management

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THE CANDIDATE is experienced, mature and entrepreneurial.

THE POSITION is for a dealer in European Equities with mid office responsibilities (stock lending, settlement, etc.).

THE PACKAGE includes basic and high performance related bonus, to suit the right candidate.

Write to:
Voltaire AM,
38 Jermyn Street,
SW1Y 6DN

Appointments Advertising

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For information on advertising in this section please call Keeley Pope on 0171 873 4006

Financial Times

Marketing Associate

InterSec Research Corp. is an international consultancy with offices in the US, Canada, London, Zurich, Milan and Tokyo. Our 250 clients include over 100 of the 300 largest asset managers in the world.

Responsibilities

The Marketing Associate will be responsible for promoting and selling London-based research and consulting services to asset managers, securities companies and custodians in the UK and the rest of Europe. This includes:

- Developing and maintaining a database of relevant institutional investors and key individuals within them.
- Identifying and meeting with prospective clients.
- Preparation of proposals.
- Following-up, negotiating and closing working relationships.

Qualifications

Educated at least to degree level, you need to have good background knowledge of the investment management market in Europe, preferably with aproven track record in sales. You should have good communications skills, both written and verbal, and be comfortable liaising with clients at a senior level. Additional languages would be helpful, as would good computer skills, especially with packages such as Excel and Access.

INTERSEC RESEARCH CORP.

Applicants should send their CV, along with their current and expected salary to:
Director, at InterSec Research Corp.,
Pegasus House, 37-43 Sackville Street, London W1X 1DB
Telephone 0171287 3898 Facsimile 0171-287 3895
Email karen@intsec.com

International Money & Securities Broking

A highly successful City-based Money and Securities Broking company is looking for staff for its new office in Warsaw, which opens in July 1998.

You should be able to demonstrate a minimum of one to two years' experience in any of the following product areas: Spot Foreign Exchange, Forward Foreign Exchange, Cash Deposits, T-Bills and T-Bonds.

Fluent in English and Polish and familiar with the local business culture, you are likely to be a graduate with a business-related degree. All applicants must have a sound understanding of the markets and relevant product knowledge.

If you can meet this challenging and exciting opportunity, please send your full CV (enclosing a separate sheet, stating any companies to which your application should not be sent.) to c/o TMP Worldwide, Lower Ground Floor, 32 Aybrook Street, London W1M 3JL, quoting ref: 16394/FT.

APPOINTMENTS WANTED

HEDGE FUNDS

Qualified Investment Professional, Chartered Accountant & London Business School Graduate to work within an Investment Bank, Fund Management Co, or with a team of Entrepreneurial Investment Professionals.

Currently a Director at a Hedge Fund Manager

Fax: +44 171 833 5729 Email: Fundmgt@aol.com

Write to: Box A6122, Financial Times, One Southwark Bridge, London SE1 9HL.

GM/President/SVP

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Respond to: Financial Times Box#A6124
Number One Southwark Bridge
London, England SE1 9HL

MANAGER DESIGNATE

I require well educated individuals (23-30) who want to be trained to fill management positions within a successful and expanding private company. The career path will reward those who accept responsibility with the job satisfaction and financial gain they deserve. Call:

ADAM JEAFFRESON
0171 240 9627

ACCOUNTANCY APPOINTMENTS

Coopers & Lybrand | Executive Resourcing

Group Financial Controller

MIDLANDS [illegible] PACKAGE + BENEFITS

A concentration on quality of service has led to the rapid growth of this highly respected £500m prestigious retailer and growth will continue both organically and by acquisition. Working closely with its major suppliers, the group is at the forefront of changing business patterns and is thus continually able to gain market advantage.

In order to control the continuing growth the Group Finance Director wishes to appoint a high quality pro-active Group Financial Controller who will ensure that the appropriate controls are not only introduced but maintained and developed to see that both state-of-the-art financially based practises are progressed and appropriate corporate reviews are instigated as necessary. The role will be seen as a continually developing one and will form part of a small, close knit head office team. The financial control is heavily centralised but in operational terms the businesses are largely autonomous.

You will be a qualified accountant who is likely to be looking for his/her second move after qualifying and who is used to high quality standards likely to have been gained initially in one of the Big 6 accountancy firms. You will have an eye for detail, 'a shirt sleeves approach' and the ability to convince both peers and senior executives of your arguments. Strong IT skills will be needed and you should possess the personality to be able to operate within a small multi functional head office team.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to John Elliott, Coopers & Lybrand Executive Resourcing Ltd, Temple Court, 35 Bull Street, Birmingham B4 6JT, quoting reference JE350 on both envelope and letter.

debis Financial Services Ltd

Manager Financial Planning & Control

£Excellent + Benefits **Milton Keynes**

debis Car Fleet Management Ltd, part of the Daimler-Benz Group of Companies, provides a comprehensive range of fleet management services as well as vehicle related finance and leasing programmes to Corporate customers both in the UK and Western Europe. Due to expansion, we have an excellent opportunity for an experienced: Manager, Financial Planning & Control.

Reporting to the General Manager Finance, you will be responsible for the planning, budgeting and reporting functions for the UK and overseas branches of the Company.

The key challenge will be to implement the necessary controls for the business and to develop the central management reporting function within the company. This will include the implementation of a new planning system, producing the three year financial plans, budgets, forecast, business modelling and variance reports as required by senior management.

You will be CIMA/ACA qualified with 5 years PQE of which at least 3 years should be on planning and analysis. On a personal level, you will have good problem solving abilities, well developed analytical skills and the interpersonal skills to develop good relations with our European Offices. Good EXCEL knowledge is essential.

If you feel you have the right qualities to meet this challenging role then please write enclosing a comprehensive CV with an indication of your current salary package to Allegra Simon, Human Resources Manager, debis Financial Services Ltd., Marlborough Court, Sunrise Parkway, Linford Wood, Milton Keynes MK14 6YR. Alternatively apply on-line: http://www.monster.co.uk

GROUP FINANCIAL CONTROLLER

C.£60,000+EXCELLENT BENEFITS | CENTRAL LONDON

The Economist Group has a worldwide reputation as an authoritative source of information and opinion on international business and politics. Our international businesses include the Economist newspaper, The Economist Intelligence Unit, the Journal of Commerce, and a range of specialist magazines. Together, they generate a revenue of some £200m.

That is a measure of the opportunity we have for an experienced financial manager. Reporting to the Group Finance Director, you will provide a comprehensive finance service to our London-based businesses and group management. You will manage a team of 40 people in a shared services environment, producing the financial reports and management accounts for each business, as well as the Group's global consolidated results.

We are currently introducing a new finance system and you will play a key role in re-aligning our procedures to ensure efficient and accurate processing and reporting. Hence experience of implementing new systems and managing change processes in an international business would be a distinct advantage.

You must have the credibility to establish excellent relationships with our senior business managers and senior finance managers overseas, who will look to you for guidance. A qualified accountant with a first-rate academic background, you will have experience of managing and motivating a large team of finance staff. Excellent communication and organisational skills are essential, backed by a flexible and results-oriented approach to problem-solving.

This is an opportunity to further your career as part of a high-quality, international finance team. You will be part of a fast-moving, growth-oriented environment in which there is a strong team spirit and no shortage of challenges.

To apply, please write with your CV and remuneration details to Richard Claughton, HR Manager, at the address below, quoting ref: 0498FT. Closing date for applications: Friday 8th May 1998.

THE ECONOMIST GROUP
15 REGENT STREET LONDON SW1Y 4LR
FAX: 0171 839 2338
E-MAIL: richardclaughton@economist.com

Austin Trumanns

GROUP FINANCIAL CONTROLLER

Manchester

Austin Trumanns, a leading steel stockholder and part of the £200m, turnover Murray Metals Group, supplies a wide range of general steels and strip products throughout the UK and Eire.

Key to our business success is a strong and influential management team and to that end we require an experienced Group Financial Controller, who can proactively develop the Group Finance function and impact on business performance.

An excellent academic and professional exam record coupled with a proven track record demonstrating the ability to manage and initiate change is essential.

If you can perform in this demanding role your reward will be a highly competitive remuneration package.

Please apply with full CV and current salary details to:

Maxine Buckley,
Personnel Manager,
Austin Trumanns Group,
Moss Lane, Walkden, Manchester, M28 5NH

Part of the Murray Metals Group of Companies

Appointments Advertising

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For information on advertising in this section please call Keeley Pope on 0171 873 4006

Financial Times

Director of Finance

U.S. Company in Eastern Europe
Located in Warsaw

The Greenbrier Companies, Inc. is a rapidly growing NYSE company and a leading North American supplier of surface transportation equipment and services to railroads and related industries. Greenbrier operates in two primary business segments: railcar manufacturing & refurbishing and leasing & services. Recent international expansion efforts have resulted in the acquisition of a freight-car manufacturing facility in Poland and leasing opportunities in Europe. A critical element in this expansion is the addition of a Director of Finance for Eastern Europe.

This Director will report to the CFO of the parent company while overseeing all financial operations in Europe, including systems implementation, overall business liaison and working closely with manufacturing and marketing/sales. Consistent communications regarding financial matters and decisions will occur with headquarters in the United States.

The successful candidate will be accomplished in financial management and international business, be bilingual and understand the Polish business environment. Technical exposure to leasing and/or manufacturing is ideal. Demonstrated business acumen, initiative, problem-solving, resourcefulness, good judgment and accountability are essential. MBA and/or CPA preferred.

An excellent opportunity to lead an international expansion effort for a solid, diversifying company. If qualified, please submit your complete resume to: Murphy, Symonds & Stowell Search, 1001 SW 5th Ave., Suite 1100-G/FT, Portland, OR 97204; Fax (503) 244-3482; lksearch@aol.com. Compensation is commensurate with experience. Excellent incentive/benefits package.

lksearch@aol.com

INTERNAL AUDITORS - CAN YOU BUILD A BUSINESS?

Global Consulting Organisation

£££ FLEXIBLE PACKAGES TO ATTRACT AND REWARD THE BEST / LONDON

Pre-eminent in its field, this organisation has an outstanding global client-base. As a result of substantial achievements to date in a new business line, it seeks to build on this success across Europe driven from a base in London.

Our client seeks a team of commercial professionals to spearhead further business development. The skills that you have developed as an internal auditor, taking key roles in the management of business risk with highly regarded organisations, are essential to the continuing and growing success of this team.

- It is likely that you are working or have worked in a senior capacity within the internal audit function of a multinational company or as a provider of internal audit services.
- Industries of particular strategic interest are Retail, Manufacturing, Automotive, Pharmaceuticals, Energy and Financial Services.
- Critical of traditional audit methodologies you will have implemented a business risk-based approach. You may also have been involved with control risk self assessment projects.
- You will be energetic, persuasive, and used to selling new concepts and different ways of working. Your interpersonal skills will be highly developed. You will be comfortable communicating at board level.
- You are likely to have thrived in an environment which has been subject to constant change through globalisation, mergers, acquisitions and consolidation of business units.
- With a focus on personal development and continuous learning for the team around you, you are regarded highly in your organisation. External advisors and contacts respect you.
- Hands on management and practical implementation of ideas will be second nature to you.
- Qualifications are not essential - we require a track record of success and a mindset receptive to change.
- A willingness to travel in the course of work will be required. Language skills are considered favourably.
- Remuneration will not be a limiting factor.

SAINTYHIRD & PARTNERS

SHP ASSOCIATES

Please contact Fiona Jobson by telephone or at the address below, quoting reference: 980308, to discuss how you might share in this challenging business opportunity. SHP Associates, Aldermary House, 10-15 Queen Street, London EC4N 1TX. Tel: 0171 815 8888. Fax: 0171 815 8800. E-mail: shpa@shpa.co.uk

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Business Controller - Publishing

Oxford c£30-40,000 + Car + Excellent Benefits

Elsevier Science is part of the £3bn turnover Reed Elsevier Group. As the world's *largest publisher of scientific, technical and medical research they produce over* 1,200 journals, related databases, new books and encyclopaedias each year. Working directly with 2 Publishers you will:

- Provide business critical support and advice to a series of publications
- Prepare forecasts, budgets and business plans
- Formulate investment proposals and participate in acquisitions

For this role you must have a clear understanding of the challenges businesses face in order to provide financial and non-financial solutions to business issues.

You will be a qualified accountant or MBA with effective problem solving skills and the confidence to challenge issues where necessary. A proven record of achievement within your working environment and the ability to influence senior non-financial managers is critical.

To discuss this opportunity telephone Graham Cuninghame or Joanna Michael on 0171 970 9700 quoting reference no: 61728 or alternatively send your details to the address below:

PSD

Finance and Accountancy Recruitment

28 Essex Street
London
WC2R 3AX
Tel: 0171 970 9700
Fax: 0171 936 3977
E-Mail email9@psdgroup.com
Internet www.psdgroup.com

INVESTOR IN PEOPLE

Outstanding Finance Professional

Substantial International Investment Group

Monte Carlo – Excellent package

Our client is a privately owned, Monte Carlo based private investment group, managing assets across a wide range of classes and geographical locations, with particular emphasis on global markets. The group is expanding its base of worldwide investments and is seeking to recruit a senior finance professional to join its small executive team.

Working directly with the executive, key tasks will include preparation of group accounts; monitoring of group financial resources, including the execution of complex financial transactions; taxation and company secretarial duties and input to investment appraisal projects. In addition, the management of a small support team will be an important aspect of the role.

As this is a complex business environment, candidates must possess first class accounting skills, holding an ACA qualification from a Big Six firm. With up to 7 years' PQE, business experience should have been gained in the financial services sector. A practical understanding of accounting procedures relating to offshore transactions is mandatory. Enthusiasm, discipline, leadership and excellent interpersonal and communication skills are necessary to operate as part of a small, highly professional and successful team.

This demanding role is best suited to someone who excels in an entrepreneurial and fast-moving environment. It will be a well rewarded, challenging position requiring a high degree of dedication and commitment.

To be considered for this position please send your curriculum vitae with current salary details to Paul Modley, Ernst & Young Search & Selection, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH, quoting reference PM229. Fax: 0171-931 1022 or e-mail: pmodley@cc.ernsty.co.uk

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SAVE & PROSPER
THE INVESTMENT HOUSE

Head of Audit

Greater London — To £60,000 + Car + Bens

Save and Prosper, a leading provider of retail financial services, is wholly owned by Flemings, one of the UK's largest independent merchant banks. The Company has increased profits by more than 100% over the last 2 years and is one of the best known in its field. Focusing on excellence in core products, Save and Prosper has the highly developed resources and management skills necessary to succeed in today's highly competitive market.

The operational audit function is driven by a small team of professionals who have the vigorous support of the main board. The department has responsibility for reviewing the UK business effectiveness, procedures and controls and providing constructive advice to business management.

Due to an internal promotion there currently exists an opportunity for an experienced accountant to lead the audit and risk management team. Reporting directly to the Finance Director, the appointee will be responsible for driving forward a systematic programme of control enhancement and also ensuring proper management of business risks by line management.

The ideal candidate will be a qualified accountant with a minimum of 4 years post qualification audit experience gained within a big 6 accountancy firm, financial institution, or blue chip commercial company. It is essential that applicants have strong intellectual capabilities coupled with good analytical skills An outgoing style coupled with determination is also desirable.

For the successful candidate we offer a competitive basic salary together with an outstanding range of non salaried benefits.

Interested applicants should write, in the strictest confidence to Robert Walker or Ben Drake at Walker Hamill Executive Selection, forwarding a brief résumé quoting reference RW 4235. All direct responses will be forwarded to Walker Hamill.

WALKER HAMILL
103-105 Jermyn Street
St. James's
London SW1Y 6EE
[illegible]
[illegible]

European Financial Controller

BUSINESS SERVICES

To £70,000
BENEFITS + STOCK OPTIONS
BASED LONDON

Already having established itself as a market leader in this distinct and innovative business services sector, this US quoted group has undergone an aggressive expansion phase in Europe which has combined growing the business organically and by conducting a number of strategically [illegible] acquisitions.

It has consistently won and retained an [illegible] client base who recognise the benefits of utilising this organisation's skills and abilities in creating real added value across aspects of its business activities.

The appointment of a European Financial Controller is seen as an integral step in formulating and driving a business from a financial perspective and ensuring that appropriate procedures, systems and controls are in place to advise senior management in the future growth, development and profitability of the business.

Specifically, you will:

- Develop and implement an integrated financial planning, analysis and reporting process for Europe.
- Critically analyse and appraise Country Operations assisting local management in the planning and forecasting processes for their business.
- Produce relevant accurate and timely management reports for the European and US Management in order to control and grow the business. This will involve participating in a European-wide acquisition programme.

As a qualified accountant aged in your mid to late 30's you must have gained experience of working in an internationally focused European role with exposure to US GAAP reporting. Fluency in French would also be an advantage. The role will require high levels of commitment and enthusiasm in what is a dynamic and fast-paced working environment. Contributing to and participating in the growth and development of this business represents a significant career opportunity.

Interested candidates should write promptly to Charles Austin or Pam Sullivan at Herst Austin Rowley, 30 St. George Street, London W1R 9FA, quoting reference HAR0200.
Tel: 0171 629 1223.
Fax: 0171 409 7872.
Email: charles@herst.co.uk
Internet: www.herst.co.uk

HERST AUSTIN ROWLEY

HW

[illegible] - [illegible] - [illegible] - LISBON - LONDON - MADRID
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INAC

UK TREASURER

INTERNATIONAL CONSUMER PRODUCTS GROUP

WEST LONDON — c. £50,000 + BENEFITS

- UK headquartered consumer products group with a wide range of household name brands. Turnover exceeds £3bn from some 40 countries.
- UK Treasurer will be a member of the small team reporting to the Group Treasurer and will have responsibility for all banking aspects, supported by a team of two.
- Principal activities will cover the dealing area; cash management systems and liaison with the Group's bankers; risk management, both forex and interest rate; and ad hoc projects including overseas banking reviews.
- Graduate, part or fully-qualified ACT/MCT with hands-on dealing room experience.

Background is likely to be within a substantial international group, however, applications from candidates in the banking sector will be welcomed. An accountancy qualification would be advantageous.

- Excellent communicator, able to quickly establish credibility and develop sound working relationships across the business. A team-worker with flexibility of mind and approach, committed to technical excellence.
- This is a first-class opportunity within a group which has an excellent reputation for its pro-active approach to treasury management.

Please apply in writing quoting reference 1628
with full career and salary details to:
Nigel Bates
Whitehead Selection,
11 Hill Street, London W1X 8BB
Tel: 0171 290 2043. Fax: 0171 290 2138
www.whiteheadselection.co.uk

Whitehead SELECTION

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THE WORLD BANK

PRINCIPAL MANAGEMENT INFORMATION OFFICER

WASHINGTON DC USA — c. $80-100,000 NET + EXPATRIATE BENEFITS

- The World Bank, the leading multi-cultural organisation in global economic development, is recruiting for a well qualified professional, interested in joining an organisation dedicated to decreasing poverty and increasing quality of life in developing countries.
- The Planning and Budgeting Department (PBD) guides and co-ordinates the bank's resource management process and has a requirement to recruit a new Principal Management Information Officer (PMIO) in support of a SAP/R3 – enabled programme to streamline the supporting information systems.
- Reporting directly to the Head of PBD and liaising with the IS Group, the PMIO will be the focal point for defining and implementing innovative improvements in resource management information approaches, and managing transition from the existing systems.
- Graduate, with a minimum of 5 years experience of resource management information and reporting activities in a large organisation - financial or professional services preferred. Knowledge of the banking sector desirable. Sound technical awareness is essential.
- Strong planning and analysis skills are vital. Leadership and relationship building skills are equally important. Must have the stature and presence to command early respect at the most senior levels. Strategic vision *with the ability* to translate ideas into action will be a key strength.
- This is a high-profile role implementing a step-change in the Bank's resource management processes. There will be significant career development opportunities *within the wider Bank* community.

Please apply in writing quoting reference 1619
with full career and salary details to:
Keith McCambridge
Whitehead Selection
11 Hill Street, London W1X 8BB
Tel: 0171 290 2013. Fax: 0171 290 2137
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"If Price Waterhouse are going to let me manage my own portfolio of top-tier clients,

I'm a monkey's uncle."

Corporate Tax Managers

Imagine switching to a practice that lets you manage and develop your own portfolio of clients and your own team the way you think best – and we're not talking about just any clients. They'll certainly include some giants of the global economy – top-tier multinationals have long been a key focus for us. However, they could also include tomorrow's business leaders or individuals – maybe stars of the entertainment or media world – whose tax affairs are often very complex.

It will be you who drives the relationship, and presents and markets new ideas. And it will be you who ultimately shares the glory when you know, and your client knows, how significant the savings you have made for them really are.

It's the same approach, the same satisfaction no matter what sector you specialise in. You could be plotting a course through the minefield of intellectual property, where grey areas abound and case law may be non-existent. You could be arguing your case with foreign tax authorities, perhaps knowing that the whole structure of your investment management client's funds hangs in the balance. Even outside our international tax team, your work will have an international dimension, and you'll build a rapport with the local tax experts who help to give us such a powerful global network.

While you manage your own clients, you'll shape your own career, keeping your options open until *you* decide what specialist area to aim for, choosing the next training programme that will add value to your professional capital. All in all, moving to Price Waterhouse is like discovering that the car you drive has suddenly acquired an extra gear.

So, if you have 1-3 years' PQE, if you're fascinated by tax and you're ready to start taking responsibility for your own clients, send your CV, quoting Ref. no. AA098, to: Ailsa Adair, Recruitment Manager, Price Waterhouse, 32 London Bridge Street, London SE1 9SY. Fax: 0171 939 3131. E-mail: Ailsa_Adair@Europe.notes.pw.com

Price Waterhouse

Price Waterhouse is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Managing business risk and dynamic growth

Pan-European Controllership — Near Paris, France

Leading the world in advanced medical technology, GE Medical Systems (GEMS) provides complete solutions for its customers, from the development and manufacture of high-tech healthcare equipment, through installation and user training to state-of-the-art global remote troubleshooting. Investing substantially in research and development, GEMS also provides leasing and financing services to healthcare providers, creating a complex, fast-paced business with a European balance sheet of $1.5 billion.

Operating in both developed and emerging markets, GEMS' exceptional growth is fuelled by product development, geographic expansion, acquisitions and joint ventures. Currently with 21 affiliates in the European region, this number is set to increase substantially.

GEMS' complexity and dynamism demands an exceptionally talented finance professional to undertake the financial controllership of its European operations. In this diverse and demanding role, the controller must combine strategic expertise, providing creative solutions for GEMS' growth initiatives, with the ability to lead a 14-strong finance team, ensuring that all major reporting deadlines are met in a fast-paced environment. Assessing and managing risk will be critical, as will an appetite for constant change and challenge. Superb finance skills, vision and creativity combined with real commercial awareness will all be essential to success, whilst cross-functional involvement and management responsibility require outstanding communication and motivation skills.

Candidates are most likely to be ACA, CPA or MBA-qualified, or European equivalent, with significant finance experience and a record of success in a multinational company, major 'Big 6' practice or a career spanning both. Multi-currency exposure is essential, with knowledge of US and major European GAAPs. The role is based at GEMS' headquarters near Paris: fluency in English and French is essential.

This is a critical appointment within GEMS' European leadership. Individuals with talent, ambition and high levels of energy and integrity will be well-rewarded financially and by outstanding career prospects in GE's global meritocracy.

To apply, please post or fax your CV quoting ref: 268 giving details of current salary package, to our retained consultants Alderwick Consulting Ltd, 95 Fetter Lane, London EC4A 1EP. Fax (+44) 171 242 3560. For more information please call (+44) 171 242 9101 (weekdays) or (+44) 1732 811249 or (+44) [illegible] (evenings and weekends). Any CVs sent direct to GE will be forwarded to Alderwick Consulting.

** Trademark of General Electric Company [illegible]*

GE Medical Systems

GE is an equal opportunity employer.

Mars

Making benefits count across Europe

EUROPEAN PENSION & BENEFITS CONTROLLER
SLOUGH / SUBSTANTIAL REMUNERATION PACKAGE

With operations in some 60 countries, Mars, Incorporated is a global leader in each of its major markets - snack foods, main-meal foods, petcare products, drinks vending systems and automated payment systems. A uniquely successful, privately-owned organisation with a distinctive egalitarian culture, Mars also enjoys a reputation as one of the world's best-managed companies.

With success dependent on the combined efforts of a talented workforce, the ongoing development of competitive pay and benefits policies continues to play a key part in attracting and retaining high-calibre individuals. The European Benefits Centre, based in Slough, is responsible for administering and controlling Mars pension schemes throughout Europe, as well as controlling the activities of investment advisers and managing the UK pension payroll. Reporting to the EBC's Director, this high-profile role will make a key contribution to the development of a pan-European benefits strategy, in addition to controlling the Division's financial activities and supporting the work of Benefits and Investments Managers.

You will need a good degree, a professional financial qualification, and around five years' post-qualification experience including an excellent record of financial achievement with blue-chip, best-practice organisations. This experience will ideally have included responsibility for corporate pension funds and benefits. Highly self-motivated with the ability to communicate at all levels in a genuinely multinational environment, you will also be an effective people-manager with well-developed systems skills.

The salary is backed by a valuable package of non-contributory benefits including assistance with relocation if appropriate. In addition, with the significance of the role certain to increase, the career potential is considerable.

If you are interested, please telephone our appointed consultant, Stuart Adamson FCA, on 0113 245 1212, or forward your comprehensive cv in confidence, quoting ref: 6030, to Adamson & Partners Limited, 10 Lisbon Square, Leeds LS1 4LY. Fax: 0113 242 0802.
Email: stuartadamson@adamson.com

Mars is committed to equal-opportunity employment practices.

AUTOMOTIVE COMPONENTS

EUROPEAN FINANCE DIRECTOR

To £60,000 + bonus — **SOUTH WEST**

This rapidly expanding automotive components supplier has invested heavily over the past ten years in building its presence in Europe through a targeted acquisition programme supporting greenfield start-ups in both Western and Eastern Europe. Global demand for the company's primary products - precision manufactured, high volume components - is expected to double over the next five years and the continued development of the European operations are key to the success of the group, world-wide.

Our client seeks to appoint a Finance Director to be based in the UK and to take overall responsibility for the region's financial affairs with a particular brief to strengthen financial controls and reporting, to assimilate recent acquisitions and support further corporate development and to ensure that a 'no surprises' culture is encouraged at subsidiary level.

The Position

- Report to the European CEO.
- Review and develop the region's controls, reporting, planning and budgeting systems.
- Overhaul cost controls and analysis to address the changing needs of the business.
- Support business development activities-acquisitions, start-ups, capital investment.
- Manage and develop European financial staff with an emphasis on clear and open reporting.
- Oversee the region's current and future use of information technology.

The Requirements

- Experience of industrial/manufacturing sector.
- Qualified accountant, ideally with MBA and/or second European language.
- Cross-border experience - foreign exchange, staff management, reporting, controls.
- Multi-site management - again, ideally cross-border with systems/transaction management implications.
- Exposure to rapid growth, both organic and acquisitive, with funding, cash-flow, control issues.
- Evidence of a clear contribution to strategic planning and decision making.

Please send your CV with current salary details to: Mark Hartshorne, K/F Selection, Concorde House, Trinity Park, Bickenhill lane, Solihull B37 7ES, quoting ref: 5410B/01.

Alternatively send by fax on 0121-782 2524 or by e-mail to kfs-birmingham@kornferry.com Internet Home Page: http://www.kfselection.com

K/F SELECTION
A DIVISION OF KORN/FERRY INTERNATIONAL

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VICE PRESIDENT FINANCE

Oil Industry — Colombia — Highly attractive package

Seven years ago Nimir Petroleum Company existed solely as an idea - to create a global integrated energy company. Today its interests extend into Europe, South America, North Africa, Middle East and the CIS. Nimir's exploration and production interests in Colombia are managed by its subsidiary Hocol SA which is currently involved in an aggressive strategic growth plan.

This senior finance role offers the scope to utilise your strong financial and interpersonal competencies as part of a leadership team dedicated to change and innovative practices.

With overall responsibility for the local finance area, you will provide direction and guidance to staff involved in auditing, accounting, joint ventures, insurance and tax, while developing an effective interface with the Colombian authorities and financial community. As a key member of both the local leadership team and the Nimir corporate finance function, you will participate in establishing strategies, objectives, systems and controls to benefit operations and meet corporate requirements.

Fluency in English and Spanish is highly desirable together with a career which includes at least 10 years professional accounting experience; people management, commercial awareness; international exposure and knowledge of the upstream oil industry.

It is envisaged that success in this Bogota based assignment will lead to other development opportunities within Nimir. A highly attractive package including expatriate benefits will be offered.

Please write with full career details including current salary and daytime telephone number to the advising consultant, Andrew Scott-Priestley at the address below.

MKA MANAGEMENT CONSULTING LIMITED
Holyport Road
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MKA

Appointments Advertising

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.
For information on advertising in this section please call Karl Loynton on 0171 873 3694

Financial Times

Group Financial Controller

Global Healthcare

Our client, a listed plc, is one of the fastest growing healthcare companies in the world with operations in Europe and the USA. The group has ambitious plans for the commercialisation of its innovative products and technologies.

A recent promotion has generated this high profile position which will be instrumental in helping shape the organisation to meet the complex challenges of rapid international growth *as well as raise company-wide performance standards.*

Surrey

Specific responsibilities include:

- All aspects of group planning, control, and reporting to listed plc standards
- Financial analysis and advice in support of business development activities
- *Formulate and implement new financial initiatives in line with business change and growth*
- Continually upgrade management information and planning systems ensuring efficiency and meaningful output

c.£60,000, plus car, attractive options, bonus

This is an ideal opening for the individual who seeks to influence positive change within a growing international business. You will be a graduate qualified accountant with a track record of financial and commercial achievement ideally obtained within a fast moving commercial environment. Real enthusiasm and energy with a strong desire to make an impact are essential. In line with a company at this stage of development the options potentially represent a significant element of the package.

Interested candidates should write with full CV, quoting current rewards package to *Karen Wilson, Pharmaceuticals Practice, Hoggett Bowers, 28 Essex Street, London* WC2R 3AX, Tel: 0171 970 9600, Fax: 0171 936 3974, quoting ref: LKW/16505/FT.

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INVESTOR IN PEOPLE

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ACNielsen

Brussels

ACNielsen is the world's leading provider of market research information services. Recently listed on the New York Stock Exchange, market capitalisation grew in excess of 40% in the first year of trading.

This is a truly international organisation with operations in over 90 countries across the globe. Worldwide turnover is in excess of US$ 1.4 billion, with a professional staff-base approaching 18,000.

The Europe, Middle East and Africa Region (EMEA) is headquartered in Brussels. This is a high growth, acquisitive *business and we are looking for a high quality, high potential* finance professional to join us and help drive the business forward in an expanding but increasingly competitive market.

Reporting to the Group Finance Manager, his/her key tasks will include:-

- participation in consolidation of all EMEA affiliates
- management reporting to the EMEA Executive Team and the US Headquaters
- financial analysis of regional client profitability
- control of regional expense budget
- assistance in the development of new reporting systems
- intensive liaison with EMEA finance managers and international *account directors*
- ad hoc financial analysis.

We are looking for:

- recently qualified ACA - probably Big 6
- strong commercial outlook
- ambition, professionalism and an appetite for hard work
- confidence and ability to operate at highest levels of the organisation
- international outlook, cosmopolitan approach and mobility.

In return we offer an excellent platform for fast track career development in a dynamic business with an attractive remuneration package.

Interested candidates are invited to send their detailed curriculum vitae to **Robert Half Finance (a division of Robert Half Belgium SA/NV) for the attention of Emmanuelle Evenepoel, Avenue General de Gaulle 47, 1050 Brussels, Belgium. Tel: 0032.2.626.11.12, Fax: 0032.2.646.30.38, E-Mail: eme@fav.be quoting reference JOP/ACN.**

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Driving successful change and integration

Diverse opportunities for exceptional finance professionals — Germany & Holland

GE Silicones, a highly profitable part of GE's $20.6 billion European operations, is entering into a major joint venture with Bayer AG. Combining the manufacturing, technological and commercial resources of the two companies, this high-profile project in which GE Silicones has the controlling stake will immediately take the business to second place in the European silicones market. GE Silicones' growth provides both challenge and exceptional opportunity: rapid and effective financial integration will be critical to success and continued expansion.

The company is therefore seeking the very best finance talent available, some from within GE, others brought in to complement existing skills - but all with commitment, energy and a real desire to be part of a dynamic, influential and effective team. The positions range from senior roles requiring extensive change-management expertise and excellent motivational skills, through to a number of opportunities for highly commercial, ambitious business analysts and cost accountants.

In particular, the business is seeking candidates for the following roles:

• Manufacturing Finance Leader

A senior role at the heart of the business, focusing on manufacturing and production processes to drive financial efficiency. Requires excellent leadership and motivation skills and fluent English. Reports direct to the CFO.

• Senior Financial Planning and Analysis Leader

Providing the strategic skills and vision to drive all aspects of FP&A for the joint venture, working with the CFO and leading colleagues in five other European locations. Multi-currency experience, exposure to German GAAP and fluent English essential.

• Business Analysts and Cost Accountants

There are a number of roles for individuals with at least two years' commercial experience of financial analysis or costing to work both in Holland and Germany.

• Senior Commercial Analysts

Working closely with sales managers and their teams to ensure effective commercial management of the business. Must have been analysis and systems skills and speak fluent English.

At every level these positions require excellent financial and analytical skills, combined with the flexibility and sensitivity to drive successful change and integration. As most of the team will be based in Düsseldorf a minimum of a good working knowledge of German is essential.

For candidates who share GE's passion for excellence and its refusal to [illegible], the rewards are high, with excellent salary packages, including relocation assistance if required. GE [illegible] for individuals [illegible] integrity, success in these roles [illegible] career opportunities elsewhere [illegible] global operations.

If you would like to find out more about opportunities with GE Silicones [illegible] fax your CV as soon as possible, quoting [illegible] giving details of your current salary to Alder[illegible], 95 Fetter Lane, London EC4A 1EP. Fax (+44) [illegible] Telephone (+44) 171 242 9191 (weekdays) or (+44) 1[illegible] 1249 or (+44) 171 820 3440 (evenings and weekends). Any CV sent direct to GE will be forwarded to [illegible].

[illegible]

GE Silicones

GE is an equal opportunity employer.

Discover your true worth

Discovery Networks Europe is a successful and fast expanding media entertainment company, offering a wide spectrum of engaging, entertaining and intellectually stimulating programming for viewers of all ages with enquiring minds. We are looking for two professionals who will be able to make an immediate contribution to a young and highly motivated team.

BUSINESS ANALYST

You will be responsible for budget development for DCE networks and new business initiatives. Your duties will include:

- Develop financial planning models
- Tracking, forecasting and budget development
- Work on project-specific analysis to support business development.

Naturally we would expect you to have strong organisational and communication skills, with a minimum of 2 years experience in financial planning, management accounting and/or related field. You will have a Bachelors degree in Finance, Accounting or Business management, or an MBA. It is essential that you are proficient with spreadsheet and financial packages. Media industry experience is preferred. Ref: F001

FINANCE OPERATION ANALYST

This role will cover a wide range of activities including:

- Monthly analysis and reporting
- Establish and control data maintenance procedures
- Assist with ad hoc project work.

You should be a newly qualified/finalist accountant with a strong understanding of IT systems and controls. Computer literate, you will be familiar with financial software packages. Strong interpersonal skills and attention to detail are essential and experience within the Broadcasting industry would be advantageous. Ref: F002

If you would like to join this fast moving and successful organisation then write with full CV and salary details, quoting the appropriate ref. no., to: Amy Girdwood, Personnel Department, Discovery Networks Europe, 160 Great Portland Street, London W1N 5TB. All applications must be received by Friday 1 May 1998.

Discovery

DISCOVERY NETWORKS EUROPE

Mouchel

International Consultants

Finance Director

c.£110K package plus share options • Surrey

The Mouchel Group, with an international turnover in excess of £50 million, is a long established multi-disciplinary consultancy involved in some of the world's largest infrastructure projects. We provide our institutional and private clients with a comprehensive range of support services including management consultancy, financial evaluation, design and *construction management, and operations and* maintenance management, including the management of externalised public services. Nearly half of our projects are international and we have major offices in the Far and Middle East as well as a growing presence *in the USA through strategic alliances.*

To build on our recent successes in service diversification, we seek an entrepreneurial finance director to make a major contribution to strategic development and continuing improvement in financial performance.

To be considered, you must be qualified with ACA or equivalent and have at least five years' experience gained in a senior financial position. As an ambitious professional with a proven track record in effective financial control, international business, funding relationships and corporate finance, you should have the ability and personal skills to become a key member of our top team.

If you are interested in this key position, please send your CV to:

Rosemary Hart, Company Secretary,
Mouchel Group, West Hall,
Parvis Road, West Byfleet,
Surrey KT14 6EZ.

Tel: 01932 337000.
Fax: 01932 336040.
E-mail: rosemary_hart@mouchel.com

Mouchel is an equal opportunities employer.

AMS Management Systems UK Ltd.

Financial Controller

London

£ Excellent + Benefits

AMS is a Nasdaq listed international business and information technology consulting firm that partners with clients to achieve breakthrough performance through the intelligent use of information technology. Europe currently generates around one third of global *revenue which was over $850 million for 1997.* Ambitious plans for further international growth include Australia and Asia. Their enviable portfolio of blue-chip clients in the UK includes many of the best known names in the financial services sector.

Reporting to the European Finance Officer and liaising closely with the UK MD and business unit managers, the role will take responsibility for all aspects of UK finance. Supervising a team of five staff, the particular challenges of this hands-on role will be co-ordinating the complex tax and payroll issues whilst forging excellent relationships with the business unit managers.

The role will require strong management and leadership skills, the ability to liaise and effect decision making at a senior level outside the finance team and a genuine 'customer focus'. The young, dynamic, results orientated culture of the company will *suit an ambitious candidate who is likely to be a* qualified accountant with 1-5 years PQE. The individual required may be looking for their first controllership or moving from a similar role but keen to become a key player into this exciting international environment.

Future prospects are likely to combine increased involvement in commercial processes with secondments to Europe and the US.

Please send your CV to Guy Stacey, Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LN or fax 0171 831 2612, quoting reference 415995 e-mail: guystacey@michaelpage.com

Michael Page

FINANCE

Australia - China - France - Germany - Hong Kong - Italy - Netherlands - New Zealand - Singapore - Spain - UK - USA

Finance Director

Market leading f.m.c.g.

c. £75,000 + benefits etc. **North West**

An excellent opportunity to join a dynamic, fast growing organization operating from a position of considerable financial and manufacturing strength.

Our client is a large private group with a wide and diversified portfolio of marketing and manufacturing activities and is an undoubted brand leader in several markets with a wide spread of high profile household name products and an enviable reputation for its growth record, profitability and innovative approach to business development.

Candidates should be computer literate accountants with a proven record in a f.m.c.g. manufacturing organization. They should have excellent communication and leadership skills; plus the capability of developing tight fiscal control systems in a complex sophisticated marketing and manufacturing group. They must be commercially astute and capable of interfacing with other senior executives. Corporate finance experience/prior involvement in acquisitions would be highly advantageous. There is flexibility in the salary package for an *outstanding* candidate together with bonus potential, prestige car, free health, pension and life assurance schemes. Relocation assistance where necessary. Please send full personal, career and salary details in confidence to Ref: *AKT261 Austin Knight* UK Ltd, Ship Canal House, 98 King Street, Manchester, M2 4WD

Austin Knight

Replies will be forwarded to our client unopened

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DILLONS · HMV · WATERSTONE'S

Financial Planning Manager

Thames Valley — **Package c £45-50,000 + Car**

HMV Media Group plc has just completed the acquisition of HMV, Waterstone's and Dillons. The Group operates 450 stores in nine countries, generating sales of over £1 billion with plans for further expansion in the UK and internationally.

Reporting to the Group Financial Controller, the Financial Planning Manager will be a key member of the Group Finance Team and responsibilities include:

- Management of the Group budget, strategic plan and forecast process.
- Review of investment proposals.
- Innovative commercial analysis/project work to drive business performance.
- Development of budgeting and planning systems.
- Provision of corporate finance support.

The successful candidate will be a qualified accountant with up to five years PQE more recently gained in a highly commercial environment. You will be used to applying a rigorous analytical approach, have excellent communication skills and be a flexible thinker. Additionally, you will be a proactive, committed team player who is keen to develop further as there is a proven track record of career development within the organisation.

Interested candidates should write, enclosing a full curriculum vitae, current salary details and daytime telephone number to Angela Webb at Michael Page Finance, 40-42 High Street, Maidenhead, Berkshire SL6 1QE. Telephone 01628 771604, or fax 01628 785495 e-mail: angelawebb@michaelpage.com

Michael Page
FINANCE

Australia - China - France - Germany - Hong Kong - Italy - Netherlands - New Zealand - Singapore - Spain - UK - USA

RIVER ISLAND CLOTHING CO.

Head of Management Accounting

West London — **£45,000 + Car + Bens**

River Island is a leading fashion retailer with over 300 outlets in the UK and has enjoyed strong organic growth over the last decade. In an increasingly competitive and changing market, the organisation is responding with ambitious plans to meet the challenges of the future.

An opportunity has arisen for an exceptional individual to become part of the senior financial management team and contribute to future success.

Key areas of responsibility will include:

- Lead and develop a team of eight people and ensure that management information is delivered to high standards and to required deadlines.
- Develop a keen appreciation of operational issues and provide a strategic insight into the future direction of the business.
- Active liaison from Board level downwards to assist the flow of information and ideas across departments.
- Analysis of key performance indicators and actively interpreting and acting on such information.
- Interface between the IT department and end users to enhance the effectiveness of financial systems.

Relevant candidates will be qualified accountants, ideally with several years experience in a retail environment. You will be able to demonstrate commercial awareness, effective leadership skills and a pragmatic style. In return, a generous remuneration package is offered together with the opportunity to develop within an exciting organisation.

Please send a CV, to Martin Dowson at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LN. Fax 0171 242 1020, quoting ref 408632. e-mail: martindowson@michaelpage.com

Michael Page
FINANCE

Australia - China - France - Germany - Hong Kong - Italy - Netherlands - New Zealand - Singapore - Spain - UK - USA

European Finance Manager

London W1 — **c £40,000 + Car + Bens**

Our client is an international market leader with subsidiaries throughout the world and a European operation with a revenue of $1 billion.

Having doubled its share price over the last four years, the company is poised for further expansion through acquisition. They need to strengthen their European Finance function by recruiting a high calibre Finance Manager reporting to the European Financial Controller.

The individual will be a key member of the executive team which is responsible for the operating performance and development of Europe. He/she will play a vital role in providing financial and risk management advice to the country Financial Controllers including financial, accounting, tax and investment decision making support.

He/she will also perform a pivotal role in enhancing the regional tax functions, as well as ensuring the success of a number of ad hoc projects ranging from structuring issues through to the successful implementation of pan-European business systems. This will require some European travel.

You will be an ACA Top 6 trained individual (aged ideally between 25-30) with a minimum of 2-4 years post qualified experience gained either within the profession or an international 'blue-chip' environment. Significant tax experience will be essential. You will have drive, enthusiasm for change, commercial flair and a highly motivated approach.

With this superb opportunity the company also offers an unrivalled international career path for the future.

If you feel ready to meet this challenge, then forward a CV to our retained consultants Jazz Dhanda or Laurence Pengelly at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LN. Fax 0171 242 1020. Please quote reference 414057. e-mail: jazzdhanda@michaelpage.com

Michael Page
FINANCE

Australia - China - France - Germany - Hong Kong - Italy - Netherlands - New Zealand - Singapore - Spain - UK - USA

Assistant Chief Accountant

Central London — **c £40,000 + Car**

Quoted on the London Stock Exchange, our client is an international industrial group with an annual turnover of approximately £900 million, employing over 12,000 people worldwide. Having attained strong positions in each of its core business areas, the group is poised to continue moving forward, building on its operating strengths and commitment to the development of highly innovative, quality products for its global customer base.

Reporting to the Group Chief Accountant, you will be an integral part of the finance management team, responsible for the development and training of seven staff.

Initially, principal areas of responsibility will include:

- Co-ordination and preparation of annual and interim consolidations.
- Consolidation of group budget.
- Responsibility for treasury back office and accounting for derivatives.
- Management of head office accounts department.
- Involvement in preparation of group monthly reporting.
- Ad-hoc project work.

The successful candidate will be a graduate, professionally qualified accountant with proven experience, gained either in a large commercial environment or practice. You will be able to demonstrate strong technical skills, have an enquiring mind and the ability to adapt to change and work as part of a team.

This is an excellent opportunity and for the right individual offers long term career potential within a dynamically changing environment.

Interested applicants should write, enclosing full curriculum vitae to Elizabeth Hosegood ACA at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LN or fax 0171 831 2612, quoting reference 416616. e-mail: lizhosegood@michaelpage.com

Michael Page
FINANCE

Australia - China - France - Germany - Hong Kong - Italy - Netherlands - New Zealand - Singapore - Spain - UK - USA

Finance Manager

Central London — **c £40,000 + Car + Benefits**

This UK quoted plc, is a dynamic property company with an extensive portfolio of mainly industrial and retail interests throughout the UK. With net assets of £162 million and turnover of over £44 million, our client is well positioned to take full advantage of the improving UK property market and continue with its ongoing strategy of development through acquisition and organic growth.

As a result of this expansion, an opportunity has arisen for a high calibre Finance Manager to compliment the existing management team. Reporting directly to the Deputy Chairman and Finance Director, key responsibilities will include:

- Production of group management and financial reports.
- Analysis of monthly results, statistics and generation of accurate monthly forecasts and annual budgets.
- Undertaking special projects including: identifying target acquisitions and corresponding due diligence projects; evaluating disposal programs; and analysis of key performance indicators.
- Provision of ad-hoc support to senior management and liaison with external parties, including brokers and financial institutions.

The ideal candidate will be a technically astute ACA (preferably 'Big 6') circa 1-4 years post qualified experience gained either in the profession, financial institution, or industry and commerce. Significant exposure to due diligence and investigations work will be essential as well as your ability to work on major projects in a challenging environment and communicate and influence at the most senior level.

Interested candidates should apply in writing to Jazz Dhanda at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LN, or alternatively fax on 0171 242 1020. Please quote reference 404917. e-mail: jazzdhanda@michaelpage.com

Michael Page
FINANCE

Australia - China - France - Germany - Hong Kong - Italy - Netherlands - New Zealand - Singapore - Spain - UK - USA

Group External Reporting Co-ordinator

Madrid — **Attractive Package**

Our client is a leading global company in the service industry, offering a worldwide data network and advanced technology solutions for the travel industry.

Reporting directly to the Group Accounting Manager, a newly created opportunity has arisen for an outstanding professional to join the group finance team and responsibilities include:

- To prepare financial documentation to filing with stock exchange authorities, including external financial statements for Group purposes.
- To perform special projects related to accounting and reporting requirements.

The successful candidate will be a U.S. trained CPA or European trained Chartered Accountant, with up to 4-6 years experience in a multinational audit firm or 5-7 years total experience in the finance department of a multinational company including 2-3 years experience in a similar position and fluent written and oral English.

Candidates must have good knowledge of IAS and/or US GAAP. Knowledge of Spanish GAAP, SEC or other large European Stock Exchange reporting requirements and familiarity with SAP accounting software will be an asset.

Aged around 30, you will require excellent communication skills, flexibility and open-mindedness to thrive in a demanding culture. You must have a european work permit or the ability to obtain one.

Interested candidates should send their CV with full salary details and telephone number and recent photograph to Alberto de Francisco at Michael Page International, Plaza de la Lealtad, 2-2°, 28014 Madrid, Spain, fax 00 34 1360 5155, quoting ref AFP410. e-mail: mpage@lander.es

Michael Page
INTERNATIONAL

Australia - China - France - Germany - Hong Kong - Italy - Netherlands - New Zealand - Singapore - Spain - UK - USA

Internal Auditor

The Hague/The Netherlands — **Dfl. 120-150.000,=**

Our client is a fast growing international service provider with interests in various branches. At present the organisation operates in approximately 40 countries, the company's turnover amounts to over one billion US dollars. For the years ahead, both the company's strategy and organisational structure is designed to further expand. The financial activities for the group are co-ordinated and supported in The Hague. As a result of this growth, we are seeking to recruit an Internal Auditor.

Tasks and responsibilities:

- Set-up and develop the internal audit function.
- Perform worldwide financial audits, at a later stage operational audits as well.
- Develop a standard procedure manual covering both operational and necessary financial controls.
- Evaluate and monitor the effectiveness of control processes.
- Report the audit results to both the Audit Committee and the Operational Management.
- Liaise with external auditors and advisors.

Profile of the suitable candidate:

- Qualified Accountant, aged 30-40.
- At least five years of relevant (internal) audit experience gained within an international commercial environment.
- Excellent command of English, any other European language an advantage.
- Pro-active, independent self starter, enthusiastic and able to establish the internal audit function.
- Willingness to travel frequently (50-75%), diplomacy, tact and sensitivity to other cultures.

If you are interested in applying for this outstanding opportunity, please send a comprehensive curriculum vitae to Wouter Barnentlo at Michael Page International, 'Apollo House', Gerrit van der Veenstraat 9, 1077 DM Amsterdam, the Netherlands, quoting reference WB/48859. For further information please call him on + 31 (0) 20 578 9444.

Michael Page
INTERNATIONAL

Australia - China - France - Germany - Hong Kong - Italy - Netherlands - New Zealand - Singapore - Spain - UK - USA

Financial Controller

West End — **£ Excellent Package**

Our client is a rapidly growing property investment group which is backed by a major investment bank. Having recently acquired substantial portfolios, it is following a strategy that will see it become one of the leading groups in its sector.

As a result of its expansion, there is now a need for a high calibre individual to take hands-on responsibility for the operation and growth of the finance function. This position reports directly to the Chief Financial Officer and responsibilities will include:

- Ensuring the finance function meets its operating and reporting targets.
- Financial modelling to include budgets, forecasts and investment analysis.
- Treasury and working capital management.
- Project management and financial systems upgrades.

The role requires a resilient and flexible individual who can continue the development of a first class function in the face of rapid growth and change. The ideal candidate will be a graduate qualified accountant with a proven track record of financial control in a tightly run environment.

Highly developed computer skills are essential and may have been gained in investment banking analysis or a corporate finance background.

It is essential to be able to manage and communicate in an environment that is highly controlled and open.

This is an exciting opportunity for an ambitious individual who is attracted to working as part of a small, professional and driven management team.

Interested applicants should send their curriculum vitae with salary details, to James Rushworth at Michael Page City, 50 Cannon Street, London EC4N 6JJ or alternatively, fax 0171 329 3426. e-mail: jamesrushworth@michaelpage.com

Michael Page
CITY

London - New York - Paris - Amsterdam - Frankfurt - Milan - Madrid - Hong Kong - Singapore - Sydney

Make things happen!

Central London

Our client is a listed public group and leading player in its market, one of the UK's most dynamic, fast growing and competitive industry sectors. The company has sustained an enviable increase in turnover throughout the 1990's through diversification and acquisition which is expected to continue for the foreseeable future. The substantial growth of the organisation has led to a restructuring of the finance function and opportunities have arisen for two high calibre accountants who will contribute to the continued success of the company.

Commercial Accountant — c £40,000

Managing a small finance team, the role takes responsibility for the existing and new areas of the business and will offer the individual the opportunity to contribute to the strategic direction of the organisation.

The role will involve:

- Providing a full accounting system to the Business Managers within the operating divisions.
- Exercising financial control over nine subsidiary companies.
- Quarterly reviews of group budgets and forecasts.
- Providing financial advice about potential new commercial opportunities.
- Advising on and assisting with new acquisitions.

Business Systems Co-ordinator — £ Negotiable

Diversification has placed increasing demands on the company's business systems and the finance department require a qualified accountant to act as the main focus for IT skills and business knowledge within the finance function.

Working alongside the *Commercial Accountant, key responsibilities include:*

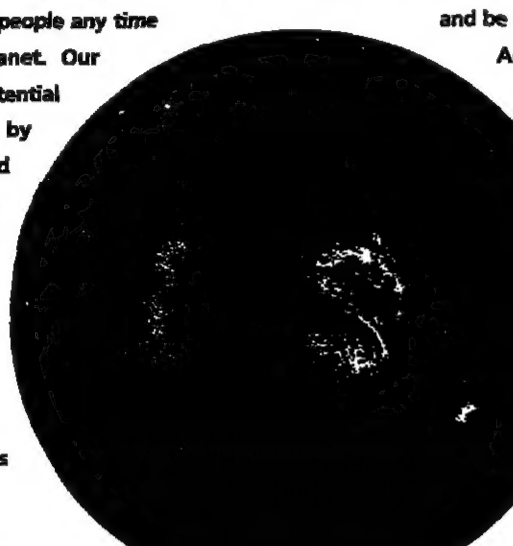
- Co-ordinating and resolving all issues relating to new and existing financial systems.
- Maintaining the CODA OAS financials database and acting as primary liaison with the IT Department and external consultants.
- Undertaking ad-hoc projects and identifying training needs within the finance department.
- Developing budgeting, financial modelling and report writing in the CODA environment.

Outstanding medium and long term opportunities exist for the right individuals. Commitment, initiative, excellent communication skills and a good understanding of key issues facing the business are essential for both roles, as is a strong ambition to succeed. Interested candidates should write, enclosing their curriculum vitae and details of current package, to Matthew Morris at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LN. Fax: 0171 831 6293. e-mail: matthewmorris@michaelpage.com Please quote reference 400095.

Michael Page
FINANCE

Australia - China - France - Germany - Hong Kong - Italy - Netherlands - New Zealand - Singapore - Spain - UK - USA

At ICO Global Communications we're *taking mobile comms* technology to a new level. Our system will bridge the incompatibility and coverage gaps at the touch of a button, Using 10 state-of-the-*art satellites to link* people any time anywhere on the planet. Our project has so much potential that it's being backed by 59 leading telecoms and technology companies in 51 markets, who have so far invested $2 billion. We are building towards service launch in the year 2000, and we now seek to appoint a Group Finance Controller to join us at this very exciting time.



Reporting to the Senior Vice President, Finance, this all encompassing role will cover the full spectrum of financial activities, including responsibility for all statutory and monthly accounts. For a highly talented and ambitious finance professional ready to take your first big commercial career step, this exciting multi-billion dollar enterprise can offer you a future that will take you as far as you want to go. You should have 3/5 years direct experience in the preparation of SEC filing and be up to date on US GAAP.

An ACA/CPA with first time passes, you will have excellent commercial acumen as well as technical expertise, and will ideally be working for a major international name either as an Audit Manager, or be familiar with USA company accounting.

If you want to make a major contribution and be part of this multi-national and pioneering organisation, then write (quoting ref: JJ006) enclosing a comprehensive CV and current salary details to: The Resourcing Centre, ICO Global Communications, 1 Queen Caroline Street, Hammersmith, London W6 9BN. Fax: 0181 600 0660, email: recruit@ico.com

GROUP FINANCIAL CONTROLLER

To £70,000 pa
+ Bonus
+ Flexible Benefits
+ Stock Options

ICO

One Success Deserves another.

Opportunities available in Chicago and Europe

OPERATIONS REVIEW/ ACQUISITION DUE DILIGENCE -

Excellent Salary and Benefits + Relocation and Visa Assistance

You will be involved in a series of technically-challenging, high-profile projects to help grow UNOVA. These positions involve significant travel, normally returning home at weekends.

A graduate and qualified accountant, your minimum of four years' audit experience with a major accountancy firm will ideally include practical involvement in due diligence and/or operational reviews. You should have excellent all-around communication and interpersonal skills, and an international business sense. These positions offer outstanding opportunities for advancement.

A recent spin-off from a $3 billion corporation, UNOVA is now the new corporate parent to Intermec, Norand, Lamb, Landis and Honsberg. Our mission is to become the world's leading industrial technology company. Our experience, market awareness and financial resources have already generated annual sales of $1.5 billion, and our approach to the future is highly ambitious. We are now seeking individuals who are equally ambitious and willing to play a key role in shaping our future.

Please send your CV with salary details to:
Angela Hirschbeck, Senior Manager,
UNOVA Inc., Dept. LFT0326,
Max-Planck-Strasse 12-13, D-85716
München-Unterschleissheim, Germany.
Telephone: 49 89 32 18 10 38.
E-mail: ahirschbeck@unova.com

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Appointments Advertising

appears in the UK edition every Monday, Wednesday & Thursday and in the International edition every Friday.

For further information please call:
Karl Loynton on +44 0171 873 3694

Special Compliance Office Accountant

Criminal Investigation Unit - London

The Special Compliance Office of the Inland Revenue detects and investigates suspected serious tax fraud, evasion, avoidance and non-compliance. This hard working, focused team requires a committed and determined qualified accountant to join its successful criminal investigations unit.

Do you have the resilience?

The dedicated prosecution team detects and investigates serious cases of tax fraud recommending criminal proceedings in appropriate cases. As an accountant you will play an integral role in the investigation process, providing specialist accounting support, knowledge and expertise. You might attend arrest situations, interview suspects and ultimately represent the Revenue in court. This demanding role will call for dedication, flexibility and persistence.

You will be a qualified chartered or certified Accountant with at least 2 years post qualification experience gained in a general public practice environment working with a variety of clients.

Your excellent communication and team-playing skills, combined with your ability to act quickly and make key decisions will ensure you are successful. You will be well placed to develop a career in consultancy or forensic accounting.

Take a closer look

Call on the number below, by the 15th May,to reserve your place at the London Roadshow where you can find out more about the Inland Revenue and this opportunity.

Thursday 21st May,
from 6.30pm
Brewers Hall, Aldermanbury Square, (Nearest tube Moorgate)

Alternatively please send your CV to Mark Turner at Hays Accountancy Personnel, 14 Great Castle Street, London, W1N 7AD or call him on Tel: 0171 436 5533 for an informal discussion. Fax: 0171 323 9940. Closing date for application is 28th May 1998.

Inland Revenue

Central London
£48,000

Hays
Hays Accountancy Personnel

FINANCIAL CONTROLLER

Norfolk/Suffolk Border

£45,000
+ Pension
+ Healthcare
+ Relocation

The Company

Leading the world in the manufacture and supply of automotive components, our client is a subsidiary of a major US corporation which has doubled its turnover to $2 billion in the past year. Worldwide strategic alliance with a major global organisation and commitment to world class manufacturing principles have led to significant capital investment which will maximise the growth potential of new and existing markets.

The Role

A key member of the management team you will work closely with the General Manager focusing on continuous improvement. Accountable for the finance and IT functions, your key responsibilities will include:

- *Management of the European finance function, including the development of staff, enhancing the* performance of the department
- Improving the quality of costing and management information and analysis, promoting financial awareness across the business
- Maximising the effectiveness of the integrated manufacturing system, developing manufacturing excellence in a highly competitive environment

The Appointee

- Professionally qualified and of graduate calibre, you can demonstrate a successful career track record, including experience or knowledge of modern manufacturing techniques
- An effective communicator, you can initiate and manage change whilst being a team player
- Commercially aware, you are focused on quality and can achieve excellence through the effective utilisation of resources

As part of a dynamic and growth orientated corporation, opportunities for career development are first class.

For an information pack please call our Recruitment Advisor Helen Timmons on 01603 760141, alternatively send your CV with your current salary details to Hays Accountancy Personnel, Davey House, Castle Meadow, Norwich NR1 3BY. Fax: 01603 633980.

Hays
Hays Accountancy Personnel

Divisional Financial Controller

North West £55-60,000 + Car + Benefits + Bonus

Our client is a multinational UK based Plc with a turnover approaching £1bn. They are market leaders in industrial manufacturing, supplying a variety of global markets. As a result of continuous development and growth, an outstanding opportunity has been created for a commercially minded Divisional Financial Controller. Responsibilities will include:

- Operational and strategic development including acquisition work
- Key business initiatives including margin improvements
- Development of financial systems, controls and procedures
- Financial and management information

The ideal candidate will be a qualified accountant with a strong operational focus and international exposure. You will be a proven achiever with exceptional influencing skills and a pragmatic commercial approach. Due to the international remit of the role, additional language skills would be beneficial but are not essential.

To discuss this opportunity telephone Kerry Angus on 0161 831 3300 quoting reference no: 61842 or alternatively send your details to the address below:

PSD
Finance and Accountancy Recruitment

Amethyst House
Spring Gardens
Manchester
M2 1EA
Tel: 0161 831 3300
Fax: 0161 832 9123
E-Mail email20@psdgroup.com
Internet www.psdgroup.com

INVESTOR IN PEOPLE

HEAD OF GROUP AUDIT

LEX SERVICE

c.£70,000 + benefits — **Berkshire**

With outstanding results for 1997, a strengthened management team and a new business focus, Lex continues to play a leading role in the automotive services sector. Already market leader in a number of segments including vehicle and equipment sales, contract hire and leasing, this £1.5bn. turnover group continues to innovate, always with a strong customer-focus and emphasis on value-for-money.

Heading up the audit team, this position reports to the Group FD and Chairman of the Audit Committee. Responsibilities include directing financial and operational audits of all Group subsidiaries, Cadbury compliance and risk assessment in a plc environment, due diligence and business development projects. Building relationships at all levels with the company's management, joint venture partners and third party service providers is essential.

Candidates will ideally be graduate ACAs with audit experience in a diverse, autonomously run group. Alternatively extensive exposure to a plc compliance environment from within the profession would be of interest. Demonstrable technical knowledge and expertise, objectivity aligned with strong inter personal skills, leadership qualities and an ability to get things done are essentials. Career progression opportunities within this large meritocratic group are excellent.

Please write in confidence with a CV and remuneration details to, Criterion Search, 50 Regent Street, London W1R 6LP. Quoting ref: 3003. Tel. 0171 470 7212 Fax. 0171 470 7171

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PART OF THE CURZON PARTNERSHIP

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HEAD OF FINANCE

PACKAGE TO £75,000 **CITY BASED**

TROWERS & HAMLINS

This flourishing, progressive and friendly law firm with 160 Fee Earners including 54 Partners is focusing on a new era in its development including the relocation to prestigious new premises in the City. As part of the restructuring of Support Services the firm requires an experienced Head of Finance.

You will be a key member of the Senior Management Team working closely with the Managing Partner and other Heads of Function: HR, Marketing, IT and Administration to support the Partnership in developing beyond its established core areas. More than a Head of Finance, you will wish to make a wider contribution to the total commercial picture and, through your own functional expertise, assist in the re-gearing of the practice.

Specifically you will be responsible for:

- managing a substantial budget
- providing timely and accurate financial information to the Partnership
- the provision of commercial and strategic advice to the Management Committee
- the management of staff in Accounts, Taxation, Credit Control and Payroll

Ideally you will be aged 35-45, have partnership experience and a track record of achievement in a senior financial role and as a commercial change agent.

Please send your CV and covering letter with current salary details to **Claire Vane** or **Julie Conroy** at **ZHR**, 37 Sun Street, London, EC2M 2PY, Fax: 0171 523 3823, Tel: 0171 523 3725 E-mail **claire.vane@zarakgroup.com**

ZHR

GROUP FINANCIAL CONTROLLER

BRISTOL (Relocation assistance available) c £39,000+Benefits+Car

THE COMPANY

This international Plc, with a turnover around £100 million, has an impressive track record of growth and profitability. It has become the world-wide leader in its field through aggressive overseas expansion and the development and launch of technically advanced products.

THE ROLE

The demands of projected growth have led to the creation of this key position. Working closely with the Group Financial Director and Finance Managers world-wide, you will be responsible for:

- Assisting with strategic planning for new ventures, products and markets
- Monitoring and influencing the performance of subsidiaries
- Producing the Plc annual Report and Accounts in addition to monthly and annual consolidations
- Treasury control and capital expenditure appraisal
- Developing and implementing group accounting policies and financial controls
- Developing the role as a group financial service resource.

THE CANDIDATE

You will be a young graduate ACA (Big 6 trained), who may be a Senior Manager in practice or working within a large corporate group, now seeking a greater challenge. Ideal applicants will possess:

- Experience in influencing commercial activities
- Technical excellence coupled with commercial acumen
- Experience of applying current accounting standards
- Flexibility combined with resourcefulness
- Strong interpersonal and presentational skills.

Prospects are excellent for career development towards greater responsibilities, in either a financial role or general management.

Please write to Chris Cutting, enclosing a full C.V. at:
WRIGHT ASSOCIATES, Dammas House, Dammas Lane, Swindon SN1 3EJ
Tel: 01793 432020 **Fax: 01793 485977**

Wright Associates
Specialists in Financial Recruitment

GROUP FINANCIAL CONTROLLER AND COMPANY SECRETARY

- Financial Director Potential -

Location open, Cheshire, Yorkshire or Devon **to £35,000, car**

A young qualified ACA is required for this recently formed food group, current turnover is c£15m on 2 sites with further developments to follow. This profitable, dynamic, acquisitive group specialises in chilled and frozen ready meals for both the catering and retail marketplace. Ambitious plans are in place for expansion, and in consequence the time has now come to appoint a financial controller and company secretary to manage the day to day financial aspects of the business, reporting to and working closely with the Managing Director. This is a ground floor opportunity to be involved at the start of a significant growth phase in this forward thinking group. The sites are geographically spread so the role will involve some travel. A graduate ACA with at least 3 to 4 years post qualification experience is required, either coming directly from the profession or with some industrial experience. Exposure to the food industry would be an advantage. A pragmatist with good technical accounting skills, an open personality and the ability to make it to Finance Director level in the medium term will suit the company culture. The benefits will be negotiated around the figure quoted and in practical terms this will not present an obstacle for the right candidate. **Please forward in absolute confidence a full curriculum vitae to Adderley Featherstone plc, Bowcliffe Court, Bowcliffe Hall, Bramham, Leeds LS23 6LW. Tel: 01937 841402. Fax: 01937 841403.**

ADDERLEY·FEATHERSTONE plc

Executive Search • Management Selection • Human Resource Consultancy

LONDON · BIRMINGHAM · BRISTOL · DUBLIN · GLASGOW · LEEDS · NEWCASTLE

A Corporate Role with a Difference

This role has exceptional breadth, profile and impact. Part of the Corporate team in a world-class, £ multi-million plc, there are few career moves that offer this combination of responsibilities:

- Direct involvement in top level corporate projects
- Controller for an autonomous operating subsidiary
- Support and reporting for all headquarters central functions

You probably qualified in a big 6 firm and have either spent the last five years on a mix of corporate finance and client secondments, or you left the profession early to get fast-track development in a blue-chip corporate HQ. Either way, your experience will include:

- Corporate development, including M&A
- Business strategy and review
- Scenario modelling and planning
- Production of management & statutory accounts
- Budgets, forecasting & analysis
- Reporting and management information

Your professional abilities will be matched by first class interpersonal, communication and influencing skills. A powerful, applied intellect means that you are equally effective contributing original thinking and expert support to top management, or ensuring the smooth running of operational accounting tasks.

Proactive, fresh-thinking yet pragmatic, your business acumen, commercial judgement and results focus will not only bring success in this high profile role, but also open unrivalled personal progression opportunities across the Group. The salary and benefits package is designed to attract and reward the best.

Please send a full CV (including current salary details) quoting reference MD4688 to Andrew Burke, Macmillan Davies Hodes, 2 St. Augustine's Parade, Bristol BS1 4XG.

to £50,000
plus Bonus,
Car & Benefits

Nottingham

Macmillan Davies Hodes

BIRMINGHAM - BRISTOL - GLASGOW - HERTFORD - LEEDS - LONDON - MANCHESTER

FINANCIAL CONTROLLER

c. £45,000 + bonus + car **West London**

With worldwide revenues in excess of US$2bn and over 285 publications in 75 countries, our client the International Data Group is the world's leading IT publishing, research and exposition business. Its exceptional record of profitability and growth over recent years is evidence of its pre-eminent market position and this is reflected in the performance of its International Sales & Marketing Division, whose revenues have doubled since 1995.

In order to keep pace with this expansion, the decision has been taken to appoint a Financial Controller to be based at their Headquarters in West London. This key role will report to the President EMEA, and take additional responsibility for sales offices in Paris and Munich. With a brief to ensure that the finance and IT systems are upgraded to support continued business growth, the jobholder will be responsible for providing the Board with meaningful and timely financial and management information. This will not only entail close liaison with the President but also significant cross functional relationships with other senior managers.

You should be a Chartered Accountant who has trained in a leading professional firm and has built up at least three years' PQE. Currently working in industry or commerce, you will be used to managing others, operating in a multicurrency setting and handling IT development projects. We are looking for an individual of considerable stature who can play a pivotal role in a tight-knit management team. For an ambitious, self-assured and committed professional this role will provide a wealth of challenge and real scope for progress within this major international group.

Please reply in confidence, enclosing your CV and current salary details, **quoting ref: FT7022**, to Paul Carvosso, Howgate Sable, 35 Curzon Street, London W1Y 7AE. Tel: 0171-495 1234. Fax: 0171-495 1700.

e-mail: london@howgate-sable.co.uk
Internet: http://www.howgate-sable.co.uk

HOWGATE SABLE h|s
International Search & Selection
Partnered with Kenzer Corporation in North America

Treasury Operations Manager

A superb career development opportunity

Excellent remuneration package ***West London***

SmithKline Beecham is one of the world's leading healthcare companies, with subsidiaries and associate companies in approximately 70 countries embracing human ethical pharmaceuticals, consumer healthcare, clinical laboratory services and pharmaceutical benefit management.

Our London based Corporate Treasury department acts as an in-house bank for the company, providing services that include inter-company lending, investment management, foreign exchange and global cash management. An exciting opportunity exists for a newly or nearly qualified individual to join the Operations Team of this sophisticated treasury department.

In this role, you will be responsible for the leadership and development of the rapidly expanding Operations area. As well as ensuring the efficient management of existing processes, you will be actively involved with senior Treasury management in the continuous improvement of the Operations area to ensure that new opportunities are exploited swiftly.

We seek an AMCT, or an ACIB finalist with a degree or other relevant professional qualification, 5 years' relevant work experience and a high standard of systems literacy.

Our excellent benefits package includes an attractive salary, bonus, company car, pension and medical plans, share-matching scheme and profit-related pay.

If you would like to take up the challenge and join a progressive organisation with a commitment to quality and innovation, please write, enclosing a CV with details of current remuneration and quoting ref: CH/TMM042/L, to: The Recruiting Manager SB, c/o A.E.P., Suite 6, Silk Mill House, 21 Marsh Parade, Newcastle-Under-Lyme, Staffordshire ST5 1BT.

For more information on SmithKline Beecham visit our website at: www.sb.com

It is part of our fundamental philosophy at SmithKline Beecham that we recruit, train, develop, reward and promote persons in all job areas solely on the basis of qualifications, skills, abilities and aptitudes. Decisions based on race, colour, age, religion, sex, sexual orientation, disability, ethnicity or national origin are unacceptable to the Company.

SB SmithKline Beecham

FINANCE DIRECTOR

Ferrari

SURREY **EXCELLENT SALARY + CAR + BENEFITS**

Ferrari is one of the most evocative names in the world. Founded in Maranello, Italy by Enzo Ferrari each model combines performance and style in a way unique to the marque.

Ferrari UK (Maranello Concessionaries Ltd) was established in July 1960. In its first year Maranello sold just four cars in the UK. Today, several hundred Ferraris are sold in the UK every year through a network of 14 dealerships. These sales mean the UK is one of Ferrari's most important markets. There are now more than 4,500 Ferraris in this country.

Ferrari UK is seeking a Commercial Finance Director to lead the business through a post acquisition integration process and build a platform for further growth.

Reporting directly to the Managing Director your key areas of exposure will be:

- all strategic financial decision making throughout acquisition integration, development and change
- financial planning, forecasting, budgeting and risk analysis for the company
- liaison with the manufacturers finance function
- coaching of the senior management team, ensuring understanding and interpretation of the financial results
- assisting in the development of the individual profit centres

The nature of the growth of the business has given this role a European focus with exposure to cross border transactions and controlling sites across Europe. The successful applicant will be a qualified accountant with a proven track record of leading a fast moving service led business.

European language skills would be an obvious advantage with particular emphasis on French/Italian.

This is an opportunity for a candidate of the highest calibre to lead the commercial growth of a legend.

Interested applicants should apply to Jason Kay enclosing an updated Curriculum Vitae, at **Robert Walters Associates, 10 Bedford Street, London WC2E 9HE.** Tel: 0171 379 3333 Fax: 0171 915 8714.
Email: jason.kay@robertwalters.com Web: http://www.robertwalters.com
You may also apply via http://taps.com/Robert_Walters quoting reference RW74.

ROBERT WALTERS ASSOCIATES

LONDON WINDSOR AMSTERDAM BRUSSELS FRANKFURT NEW YORK HONG KONG SYDNEY MELBOURNE BRISBANE WELLINGTON AUCKLAND JOHANNESBURG

IT Appointments

CREDIT RISK SYSTEMS PROJECT MANAGER

To £65,000 + Bonus

Our client is one of the leading Capital Markets and Derivatives institutions in London, their reputation has been built on financial product development and the provision of quality research in the Equities, Bonds and Fixed Income markets.

Their Risk Management team is responsible for both market risk where they are developing a new Administration system and credit risk where they are looking to appoint a new Project Manager.

The Position

- Managing the delivery of a new Credit Risk reporting system
- Developing long term strategy for Credit Systems with senior management
- Ensuring team objectives are met through each stage of project
- Liaising with production teams re-matters of technical architecture and performance
- Managing the relationship with the business sponsor.

The Person

- A graduate with a numerate degree
- Ideally aged 28-35
- Capital Markets, preferably Risk Management or Derivatives experience
- Proven project management experience.
- Proven client server, NT, Corba and Relational Database development background
- Excellent inter-personal, team building and motivational skills.

This appointment offers a genuine opportunity for the successful applicant to be responsible for one of the most significant developments in Risk Management.

For further information on these and other positions please contact Rod Mackenzie or Leasa Carlyon at Zarak Group Technology on 0171-523 3720. Fax on 0171 523 3721 (01279 725683 evenings and weekends) or write to 37 Sun Street, London EC2M 2PY. E-mail rod.mackenzie@zarakgroup.com

ZGT ZARAK GROUP TECHNOLOGY

ANALYST DEVELOPER EQUITY DERIVATIVES

To £45,000 + Bonus

Our client is an established European Investment bank with a high profile in both the Equity Cash and Equity Derivatives markets. They require 3 x Analyst Developers to work on the Equity Derivatives core trading system. This is an ideal opportunity for candidates without City markets experience to take their first steps into a career in finance. You will be of graduate calibre probably working for a Systems/Software consultancy or from the Oil/Utilities industry where you will have a minimum of 2 years C, Unix, SQL or C++, Visual Basic and relational database development experience. This is an excellent opportunity to come in at an early stage of a major City development.

QUANTITATIVE ANALYST INTEREST RATE PRODUCTS

To £60,000 + Bonus

As one of the leading City Investment Banking groups we have an enviable reputation in the markets for quality, professionalism and consistency. We are seeking a Quantitative analyst to join our Exotic Interest Rate Derivatives desk to provide the team with strong technical support for the Pricing and Risk Management system. The system is written in Object Oriented C++ in a Windows NT environment using Excel spreadsheets for the front-end. Ideally you will be working for another investment banking or trading institution where you can demonstrate a successful track record to date working with interest rate-products. You will have a numerate first degree and preferably a PhD. A minimum of 2 years solid C/C++ is essential.

"SUMMIT" IMPLEMENTATION SPECIALIST

To £60,000 + Bonus

As one of Europe's leading broking and trading institutions, our client has been successfully trading a wide range of instruments including FX, Debt and Equity Derivative based products. They are embarking on a 2 year roll out of a new Global Derivatives System to cover core back office and straight-through front-to-back processing of their Vanilla Interest Rate business. The third party system is SUMMIT which will be heavily customised to integrate with existing systems and business infrastructure. They now seek a specialist who has successfully implemented the product in another banking/trading institution. Projects will include Deal Capture, Pricing Models, Curve Building, Integration, Business Analysis, Testing and Documentation. Age is not a prohibitive factor. They also require developers with C, C++, Perl and Microsoft NT experience.

RAD DEVELOPER STRUCTURED PRODUCTS

To £55,000 + Bonus

We are the structured products desk of one of Europe's leading Investment Banks. We are looking for a highly numerate graduate to assist the trading desk in marketing exotic derivatives products. You will have an intermediate level understanding of Equity/Interest Rate Derivatives Products with the ability to develop short-term models covering the full product life cycle. A proven programming background in C++/Corba, VB and Microsoft NT is essential as is the ability to understand Pricing Principles (Forward Rates, Yield Curves, Vanilla/Exotics, Black-Scholes, Volatility Matrices and Dividends). This is an excellent opportunity to utilise both technical and business skills.

For further information on these and other positions please contact Leasa Carlyon or Rod Mackenzie at Zarak Group Technology on 0171-523 3720. Fax on 0171 523 3721 (01279 725683 evenings and weekends) or write to 37 Sun Street, London EC2M 2PY. E-mail rod.mackenzie@zarakgroup.com

ZGT ZARAK GROUP TECHNOLOGY

Coopers & Lybrand

A major commercial bank with a full service range and substantial market share is seeking to appoint a Head of Information Technology. This is a new position responding directly to the Bank's CEO and reflects the importance the Bank is placing on the formulation of competitive business strategy.

The Bank's business strategy will be heavily reliant on the use of current and emerging information technologies and the Head of Information Technology must play a key role in ensuring the Bank has access to these technologies and that 'best practice' implementation methodologies are used to put these technologies into place.

Whilst, subject to further testing, the Bank's IT systems will be capable of responding to Year 2000 issues without major changes, the Head of Information Technology will also make a substantial contribution to the ongoing development and maintenance of the Bank's existing core systems, positioning it as a leading quality service provider in its field.

To help us advise on this appointment we would like to hear from experienced IT professionals who:

- *have worked in the finance industry*
- have made a major contribution to the change management process and
- have the inter personal skills and maturity to contribute to the Bank's prosperity through participation in senior management decision making.

The location offers a cosmopolitan lifestyle with good *educational and social facilities. The tax free salary is enhanced* by a range of expatriate allowances including housing and education.

Interested candidates should send full resumés in confidence to arrive no later than 5th May 1998 to the initial point of contact: Carolyn Ellesmere of Coopers & Lybrand, St. Andrews House, 20 St. Andrew Street, London EC4A 3AY, fax: 0171 212 2040, *e-mail: carolyn_ellesmere@gb.coopers.com*

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Vacancy in *Computational Financial Modelling*

fecit (a subsidiary of Fujitsu Ltd., Japan) is a multidisciplinary research centre devoted to the development of information technology on the latest high performance Parallel computers (see: http://www.fecit.com).

A vacancy exists within the Financial Engineering Research Group at FECIT for an experienced researcher (preferably PhD) in Computational Finance. In-depth knowledge and practical experience in the following is imperative:

- Dynamic Portfolio Optimisation
- Derivative Pricing (mathematics of)
- Artificial Intelligence, particular Neural Networks,
- Genetic Programming, etc., with applications in Finance
- Good Object-Oriented Programming skills are also desirable

Ability to carry out independent research; desire to work within teams from diverse backgrounds; enthusiasm for working on applications and good communications skills essential. Excellent remuneration package circa £25k + benefits.

Closing date for applications is Friday 29 May.

Applications with CV should be sent to:

Mrs Edna Davis, Fujitsu European Centre for Information Technology Ltd., 2 Longwalk Road, Stockley Park, Uxbridge, UB11 1AB, UK

Electronic submission of applications are encouraged (E-mail: edna@fecit.co.uk).

DERIVATIVES AND FIXED INCOME
INTEREST RATE RISK MANAGEMENT SYSTEMS

● *Project Managers* ● *Business Analysts* ● *Technical Consultants* ●

CITY BASED — HIGHLY COMPETITIVE SALARIES

Our client is one of the leading providers of solutions for risk management and trading systems for fixed income and derivatives. Their track record of success and growth has created a number of excellent opportunities for key individuals to join this dynamic organisation and to be a part of their strategy for global expansion.

These positions offer a good opportunity to work with the leading players in the fixed income and derivatives market as well as gaining exposure to the latest developments in this exciting field. There will be a significant level of customer contact with all positions.

Knowledge of the derivatives and fixed income markets and interest rate risk management are essential, together with direct experience of implementing front office systems with a major financial institution. The more technical roles require good experience of Windows NT, UNIX and Sybase.

Well qualified academically and with good interpersonal skills, you will have the ability to communicate effectively at all levels. A high degree of professionalism and enthusiasm with a delivery-oriented approach is essential.

You will currently be with a bank, consultancy firm or software house seeking a new challenge and have experience and knowledge of one or more of the following:

- **Fixed Income**
- **Interest Rate Risk Management**
- **Front Office Trading Systems**
- **Derivatives**
- **Implementation Management**

These positions will be well rewarded and may involve international travel. If you are able to meet these challenges and have the qualities and experience to realise these career opportunities, please send your CV to:

Alan Summers quoting reference FTA0498 at S&H Consulting Limited, Lloyds Avenue House, 6 Lloyds Avenue, London EC3N 3AX. *Tel (0171) 481 1171.* E-mail - SHConsult@aol.com.

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E-mail: ...

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PROJECT MANAGER AND BUSINESS ANALYST

Our client is a leading global corporate and investment banking firm operating in over 30 countries on six continents. They provide financial advisory, capital raising, sales, trading services and financial products for users and suppliers of capital on a global basis. They require a Project Manager and Business Analyst for their Information Technology department, covering different areas of business and technology:

The Position:

- PROJECT MANAGER
- Analysis of requirements from Business units
- Build business relationships with clients
- Construction, test and implementation of project development
- Service the needs of the Finance Systems Operations group for Europe

The Requirements:

- Excellent interpersonal skills
- Good Project Management skills
- At least eighteen months experience of financial markets and educated to degree level
- Experience of UNIX, RDBMS (Sybase or Oracle), preferably with C++ or C
- Self-motivated, flexible and ambitious

The Position:

- BUSINESS ANALYST
- Liaising with business areas and defining/documenting requirements
- Document business and system flows
- Full development life cycle
- Relationship management
- Project reporting

The Requirements:

- At least two years experience within a banking environment together with a degree
- Good product or accounting knowledge
- Proven analytical ability
- Highly motivated team player
- Experience of UNIX, RDBMS (Sybase or Oracle), preferably with C++ or C

For further information contact Fiona Phillips or Alex Blair Huxley Associates, 17 St Helens Place, London EC3A 6DE

Huxley

Telephone: 0171 335 5890
Fax: 0171 335 0008
Email: Jobs@Huxley.co.uk

gategourmet

Gate Gourmet, one of the world's leading airline catering companies (visit us at: http//www.gategourmet.com) and member of the SAirGroup, consists of more than 70 catering operations. Our group with over 15,000 employees reaches an annual turnover of CHF 1,5 billion.

To strengthen our committed Corporate Information Technologies team at the company's international head office in Switzerland (Zurich/Glattbrugg) we are looking for an experienced

Manager Information Systems

Your major tasks include

- To develop and drive implementation of the Corporate IT strategy and strategic products in head office, regions and units, responding to latest IT and business trends
- To manage project teams with internal and external team members (international travel up to 60-80% necessary) in order to ensure year 2000 compliance. Euro compliance, package selection and implementation
- To provide consultancy for head office, regional vice presidents and unit management
- To develop business solutions for the airline catering business and monitor efficiency of used system

Professional Qualifications

- University degree in Business Administration and/or Information Technology
- Experience in industry(e.g. food production, logistics, manufacturing, hospitality or similar)
- Experience in managing international IT projects
- Sound knowledge of Microsoft products, WAN/LAN environment and internet technology
- Application Software Package implementation experience, e.g. SAP, JD Edwards, Oracle, Scala, People Soft, Ban or similar.
- Knowledge of currently available technology and latest trends in IT
- Fluency in English (written/oral) and mother tongue: further language skills of advantage (in particular Spanish).

If you are a communicative team-player and "networker" with strong presentation and negotiation skills, able to cope with a very dynamic and fast growing environment, then please send your application to:

Gate Gourmet International AG
z.Hd.Stephan Sager, Human Resources/QVPM
P.O. Box Swissair, 8058 Zurich Airport
ssager@gategourmet.com

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